

Yeovil Town Council



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Policy, Resources and Finance Committee

The Meeting...	Policy, Resources and Finance Committee
The Time...	7.00pm
The Date...	Tuesday 31st May 2016
The Place...	Town House, 19 Union Street, Yeovil

If you need this information in large print, Braille, audio or another language, please ring 01935 382424



Amanda Card
Town Clerk

24 May 2016

To: All Members of the Policy, Resources and Finance Committee:

Peter Gubbins

Faye Purbrick

Terry Ledlie

Wes Read (Vice-Chairman)

Pauline Lock

David Recardo (Ex-Officio)

Tony Lock (Chairman)

Manny Roper

Sarah Lowery

Darren Shutler (Ex-Officio)

Graham Oakes

Rob Stickland

Evie Potts-Jones

Equality Act 2010

The *general* public sector equality duty places an obligation on a wide range of public bodies (including town and parish councils) in the exercise of their functions to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The protected characteristics are:

Age	Race
Disability	Religion or Belief
Gender Reassignment	Sex
Marriage and Civil Partnership	Sexual Orientation
Pregnancy and Maternity	

Recording of Council Meetings

The Local Audit and Accountability Act 2014 allows both the public and press to take photographs, film and audio record the proceedings and report on all public meetings (including on social media).

Any member of the public wishing to record or film proceedings must let the Chairman of the meeting know prior to, or at the start of, the meeting and the recording must be overt (i.e. clearly visible to anyone at the meeting), but non-disruptive. Please refer to our Policy on audio/visual recording and photography at Council meetings at www.yeovil.gov.uk This permission does not extend to private meetings or parts of meetings which are not open to the public.

Members of the public exercising their right to speak during the time allocated for Public Comment who do not wish to be recorded or filmed, need to inform the Chairman who will instruct those taking a recording or filming to cease doing so while they speak.

PUBLIC COMMENT (at the Chairman's discretion up to 15 minutes)

A G E N D A

9/90. APOLOGIES FOR ABSENCE AND TO CONSIDER THE REASONS GIVEN

Council to receive apologies for absence and to consider the reasons given.

LGA 1972 s85(1)

9/91. DECLARATIONS OF INTEREST

Members to declare any interests, including Disclosable Pecuniary Interests (DPI) they may have in agenda items that accord with the requirements of the Town Council's Code of Conduct and to consider any requests from members for Dispensations that accord with Localism Act 2011 s33(b-e). (NB this does not preclude any later declarations).

9/92. MINUTES

To approve as a correct record the Minutes of the meeting held on 29th March 2016.

9/93. EXCLUSION OF PRESS AND PUBLIC

Due to the confidential nature of the business of item 9/100 to 9/104, under the Public Bodies (Admission to Meetings) Act 1960 s3, it is likely a motion to exclude members of the public and press during discussion of this item will be considered by the Councillors. *Public Bodies (Admission to Meetings) Act 1960 s3*

9/94. NOTICE OF MOTION FROM CLLR WES READ

Notice of Motion received from Cllr W Read on 26th January 2016: *Standing Orders s9*

"That this Council cap the Grant Aid application (currently £5,000) in any one application to £2,500 maximum per application"

9/95. AMENDMENT TO GRANTS POLICY

To consider whether applications for Small Grant Assistance for grants over the maximum amount will be considered in exceptional circumstances.

9/96. APPLICATION FOR GRANT AID

Applications received from: (Circulated Separately)

- a) **Good Fellowship Club (£500).**
- b) **Yeovil Town Community Sports Trust Ltd (£2,500).**
- c) **The Women's Community Forum (£1,000)**
- d) **Yeovil Olympiads Athletics Club (£900)**

e) Sutton Bingham & District Canoe Club (£1,000)

Resolved at Policy, Resources and Finance Committee on 26th January 2016 to defer pending Sutton Bingham & District Canoe Club apply to Dorset Council's for grant aid. Verbal update to be given.

9/97. FINANCIAL STATEMENT – FEBRUARY 2016 / MARCH 2016

Members to review Financial Statement for the months of February 2016 and March 2016 attached at pages 3 to 29.

9/98. CAPITAL AND REVENUE RESERVES

Members review statement of Capital & Revenue reserves as at 31st March 2016 attached at page 30.

9/99. INTERNAL AUDIT REPORT

Members to consider the finding of the Internal Auditor following a second audit of the Council's financial procedures. See attached report by the Town Clerk attached at pages 31 to 40. *Account & Audit Regulations 2015 s3*

Public Comment (at the Chairman's discretion up to 15 minutes)

The Committee will consider a resolution (see item 9/93) to exclude the press and public from the remainder of the meeting in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960 on the grounds that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

9/100. YOUTH SERVICES UPDATE (COMMERCIAL IN CONFIDENCE)

See attached report by the Town Clerk attached at pages 41 to 43.

9/101. BUS SHELTERS (COMMERCIAL IN CONFIDENCE)

To note the verbal update given by the Town Clerk.

9/102. RE-GRADING OF FINANCE ADMINISTRATORS POST (STAFF IN CONFIDENCE)

See attached report by the Town Clerk attached at pages 44 to 45.

9/103. MAYORS ALLOWANCE (STAFF IN CONFIDENCE)

See attached report by the Town Clerk attached at pages 46 to 47.

9/104. TELEPHONES (COMMERCIAL IN CONFIDENCE)

See attached report by the Town Clerk attached at pages 48 to 49.

Confidential Reports to Members only.

9/99 INTERNAL AUDIT REPORT.

This is the second internal audit for 2015/16 of the Council's financial procedures and internal controls carried out by the Internal Auditor.

Eight recommendations have been made, 2 high, 2 medium and 4 low, these are detailed within the Internal Auditor's report as are the management responses, in terms of how the issues can be addressed (if appropriate), the responsible officer and a target date of when the issue can be addressed.

The Committee is **RECOMMENDED:**

- (1) to note the report;
- (2) to note the management responses as given by the Town Clerk/Responsible Financial Officer.

(Amanda Card, Town Clerk – 01935 382424)



FINAL

Internal audit report 2015/16

Visit 2 of 3

YEOVIL TOWN COUNCIL

Date: 30th April 2016

Report author: R Darkin-Miller
Email: r.darkin@darkinmiller.co.uk

Introduction

This report contains a note of the audit recommendations made to Yeovil Town Council following the carrying out of internal audit testing on site on 21st and 22nd March 2016.

The audit work has been carried out in accordance with Appendix 9 of the 'Governance and Accountability for Local Councils: A Practitioners' Guide'.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2015/16 (which will be in June 2016) will contain the audit opinion and a summary of all findings and recommendations made during the 2015/16 audit year.

The following areas were reviewed during this audit visit:

1. Payments
2. Risk Management
3. Budgetary Control
4. Income
5. Payroll

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	2
Medium	2
Low	4
TOTAL	8

I would like to thank Amanda Card – Town Clerk, Sally Freemantle – Deputy Town Clerk, and Neil Gage - Finance Administrator, for their assistance during this audit.

Darkin Miller Chartered Accountants
2015/16 INTERNAL AUDIT OF YEOVIL TOWN COUNCIL
FINAL REPORT VISIT 2 OF 3: 30th APRIL 2016

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
4.1 – Budget monitoring narrative	<p>The Policy, Finance and Resource Committee receives budget monitoring reports every two months. The reports contain a note of the full year budget and actual income and expenditure, the budget and actual income and expenditure for the period and variances for both. There is also a note of the remaining budget available. Currently there is no explanation for or breakdown of the key lines of income and expenditure which make up the variances.</p> <p>It is recommended that the report be amended to include a breakdown of the key components of significant variances so that Members have clarity about the reasons for over or underspends and (if appropriate) what corrective action is being taken. This recommendation was also made in 2014/15.</p>	M	<p>Agreed. We will look into see how this can be achieved since it will not be as simple as amending the output report. We will look to noting on a separate sheet any significant variances (both adverse and favourable).</p>	Town Clerk	September 2016

<p>5.1 – Improved audit trail in relation to Mayor’s Ball ticket sales</p>	<p>The audit trail relating to the Mayor's Ball tickets is weak. This makes it difficult to trace income received from ticket sales back to the Council's bank account, and increases the risk of fraud or error. It should be noted that the 2015 Mayor's Ball generated 10% more income than the 2014 Ball, and that there is no evidence of fraud or error having occurred.</p> <p>It is recommended that sequentially-numbered receipts are issued for cash or cheque payments, and that the Ball booking forms are amended to include additional boxes to enable the following information to be recorded in relation to payments for tickets: Date of payment, amount paid, whether payment was made for tickets via cash or cheque, receipt reference, date that the payment was banked and paying-in slip reference.</p> <p>It is suggested that the receipt number is cross-referenced on the paying-in slip reference. It is also suggested that the receipt number and paying-in slip reference are noted on the Mayor's Ball accounts spreadsheet.</p>	<p>M</p>	<p>We have not experienced any issues regarding tracing income for the Mayor’s Ball ticket sales.</p> <p>However, we will look into this and see if an efficient method can be developed.</p>		
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5.2 – Prompt payment of debts	<p>The majority of the Council's customers pay their invoices in good time, and overall debt levels year on year have fallen from £9.6k to £2.4k. However, three of the 22 samples tested in detail were paid at 57, 71 and 81 days respectively. Although all three samples relate to repeat customers, there remains a greater risk of default with overdue payments.</p> <p>It is recommended that the Council considers its debt management policy and whether or not additional action is required to ensure that debts are paid in a timely manner.</p>	L	<p>We currently do not have a written Debt Management Policy. We will write a Debt Management Policy that is appropriate for the level of debt that we have.</p>	Town Clerk	September 2016
5.3 – Review of income agreements	<p>Four of the 22 income samples tested related to agreements in place with third parties (e.g. for the use of land; or the recharge of staff time). There does not appear to be anything in writing relating to the recharge of staff time. One of the rental agreements appears to consist of an informal exchange of letters and emails; another dates from 1990 and the terms (and some of the prices) have not been reviewed since they were set. The final agreement recently expired and the Council is in the process of getting a valuation prior to negotiating a new</p>	H	<p>Agreements will be reviewed and where appropriate new/revised agreements will be made.</p> <p>This will help ensure that value for money is ascertained.</p>	Town Clerk	September 2016

	<p>contract.</p> <p>There is a risk that the informality and lack of timely review of some of the agreements could mean that the scope of services is unclear, or that the Council is not obtaining best price, effectively meaning that customers are being subsidised by Council taxpayers.</p> <p>It is recommended that all income agreements are reviewed to ensure that the terms and scope of services is clear, and that the Council is content that it is charging best price.</p>				
5.4 – Monitoring of income agreements	<p>It is further recommended that a monitoring spreadsheet is set up to document key terms of the agreements including the scope of service, price, application of price increases, and review dates. This should ensure that the Council applies price increases when it is contractually permitted to do so, and that any rent reviews are conducted promptly.</p>	L	See above	Town Clerk	September 2016
5.5 – Correct price on booking form	<p>Customers wishing to use the Council Chamber are required to fill out a booking form to record the times and dates of use, and whether or not tea or coffee is required. The forms relating to</p>	L	Letters were sent to those who held Chamber Bookings advising them of price increases and new forms were e-mailed. The forms in the sample related to old forms		

	<p>the sample of Council Chamber income contained the wrong prices. This may cause customers to be confused about the price being charged.</p> <p>It is recommended that the Council Chamber bookings forms are checked to ensure that the correct prices are shown.</p>		<p>which had been used in the interim by the customer. This should remedy itself.</p>		
7.1 – Contracts of employment	<p>Contracts of employment are in place for most officers of the Council. No contract is in place relating to the recently appointed Clerk. No contract is in place for the Macebearer. A contract has been issued for the caretaker but this has not been signed yet.</p> <p>It is recommended that contracts of employment are put in place for both officers as soon as possible. The contracts should note all terms and conditions, and should be signed by the Council and the officer. This will help to ensure that respective roles and responsibilities are clearly understood.</p>	H	<p>Contracts of employments will be issued as soon as possible.</p>	Town Clerk	September 2016
7.2 – Employee pension contribution rates	<p>Employer pension contribution rates are correct for all staff. Employee rates are correct for the majority of staff, with the exception of two officers whose posts were re-graded and hours changed at</p>	L	<p>Pension Contributions will be reviewed. Under the advice of the Pension Authority, the contributions were not to be changed partway through the</p>	Finance Administrator/ Town Clerk	July 2016

	<p>the start of the sample payroll month. It is not unexpected for there to be a short delay between a change in salary and a re-calculation of the pension contribution.</p> <p>It is recommended that the contribution rate in relation to the two members of staff is checked with the pension provided in order to ensure that the correct rate is being applied.</p>		<p>year, only at the beginning. This should now remedy itself.</p>		
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