



# MELTON PARISH COUNCIL

FRM(20)M01

## Finance, Employment and Risk Management Committee

**Minutes** of the meeting of the Melton Parish Council FERM Committee held on Wednesday 5<sup>th</sup> February 2020 commencing at 19:00 at 17 Riduna Park, Station Road, Melton, IP12 1QT.

**Present:**

Cllr Abbott

Cllr Banks (Chair)

Cllr Brown

Cllr Mr C W Taylor

Cllr Mr A Porter

**Absent:**

Cllr Mrs C Gradwell

**In Attendance:**

Mr W Grosvenor *Clerk and Executive Officer to Melton Parish Council*

Mrs P Alder *Assistant Clerk & Management Officer to Melton Parish Council*

### AGENDA

	<b>Part One - Open to the Public</b>
<b>20.01</b>	<b>To receive apologies for absence</b> Apologies for absence were received from Cllr Gradwell
<b>20.02</b>	<b>Declarations of Interest</b>
<b>20.02.01</b>	<b>To receive Amendments to the Register</b> There were none
<b>20.02.02</b>	<b>To receive Declarations of Pecuniary Interest in Respect of Items on the Agenda</b> There were none
<b>20.02.03</b>	<b>To receive Declarations of Non Pecuniary Interest in Respect of Items on the Agenda</b> There were none
<b>20.02.04</b>	<b>To consider Full/Partial Dispensations for Pecuniary Interests Declared</b> It was noted there had been no requests for dispensations
<b>20.03</b>	<b>Open Forum for Members of the Public to talk to Councillors</b> No members of the public were present
<b>20.04</b>	<b>To approve the minutes of the previous meeting</b> It was <b>Resolved</b> to agree the Minutes of the FERM Committee held on 11 <sup>th</sup> December 2019 (FRM(19)M05 previously distributed). <b>Proposed by:</b> Cllr Banks <b>Seconded by:</b> Cllr Taylor

20.05	<b>To consider Financial and Internal Control Matters</b>
20.05.01	<p><b>To consider the Management Accounts – 1 April 2019 to 31 January 2020 (FRM(20)05.01 and FRM(20)05.01a-i)</b></p> <p>The Clerk took Members through the key aspects of the Council’s financial position as at the end of period 10. Cash resources total £397,670 which together with the VAT reclaim outstanding gives the Council total liquid assets of £398,450. He reported that the current general reserves stand at £76,416 which is down £3.35k since period 9. The general reserves at year end are predicted to be approximately £65k assuming a similar pattern of expenditure for the remainder of the year. They were £69.9k at 31 March 2019. However, there could be two significant costs in the final weeks of this financial year: the solicitor’s bill for the protracted lease negotiations and the Highways feasibility study. These cannot be charged against CIL. Although the Council is spending more than its budgeted income this year this is to a significant extent met by additional unbudgeted income. For 2020/21 income from all sources will be added to the budget when received. Councillors had no comments about the report which was <b>NOTED</b>.</p>
20.05.02	<p><b>To review the budgetary position for 2019/20 as at 31 January 2020 (FRM(20)05.02 and FRM(20)05.02a)</b></p> <p>The budget spreadsheet sets out the up to date budgetary position for 2019/20. The anticipated position as at the year end is likely to be better than projected. The Clerk reported that there is scope to charge some costs to CIL (e.g. tree works carried out in November 2019) should the budget position need to be improved. This would need to be approved by Full Council.</p>
20.05.03	<p><b>To consider the Interim Internal Audit Report for the period 1 April 2019 to 31 December 2019 (FRM(20)05.03)</b></p> <p>The Clerk reported on the recent Interim Internal Audit that was carried out by SALC in January. The Councillors felt it was a very comprehensive report. Councillors went through the report and the following comments/recommendations, together with the Clerk’s response (highlighted in red in the paper) were considered in detail:</p> <p>p.4 Internet banking – it was <b>RESOLVED</b> that salary and HMRC payments will continue to be from Lloyds rather than Barclays whilst there are no charges incurred from Lloyds.  <b>Proposed by:</b> Cllr Taylor      <b>Seconded by:</b> Cllr Abbott</p> <p>p.6/7 Recording the Power – after discussion it was <b>RESOLVED</b> that the auditor’s suggestion that the power to make the spend is recorded against each item is not accepted. It is not a legal requirement and does not need to be included. Councillors felt it was more important to confirm the power at the point of approving the budget and making the expenditure and that recording it after the spend is of no benefit. It was noted that s137 grants are always recorded separately in the accounts as is a requirement.  <b>Proposed by:</b> Cllr Taylor      <b>Seconded by:</b> Cllr Brown</p> <p>p. 8/9 Policies – there was concern that we could end up having a policy about policies. It was <b>RESOLVED</b> that the Clerk presents a Schedule of Policies together with review dates to Full Council annually (at the commissioning meeting). The Asst Clerk will produce this document.  <b>Proposed by:</b> Cllr Brown      <b>Seconded by:</b> Cllr Abbott</p>

	<p>p.9 Internal Controls – It was <b>RESOLVED</b> to amend Reg 6.7 so that all online banking payments must be initiated by the RFO or Asst Clerk and authorised by a councillor who is a signatory.  <b>Proposed by:</b> Cllr Brown      <b>Secoded by:</b> Cllr Taylor</p> <p>p.12 Earmarked reserve for staff costs – the Councillors did not agree with this recommendation. It was felt the Council should have a single General Reserve to cover all its financial risks, maintained at an adequate level consistent with NALC’s recommendations. It was <b>RESOLVED</b> that there would be no earmarked reserve for staff costs.  <b>Proposed by:</b> Cllr Brown      <b>Secoded by:</b> Cllr Porter</p> <p>p.17 Compliance with the Transparency Code – it was <b>NOTED</b> that we do comply as there is nothing to be included at the moment under any other head than those already published. Once the Greenspace Management contract is awarded, procurement details will be included on the website.</p> <p>p.18 Recording apologies – this comment was <b>NOTED</b>. However, Councillors wished to continue with the present practice which is that we do not accept apologies but merely note them.</p> <p>p.19 – GDPR – suggestion was <b>NOTED</b> but the Committee felt that the current controls and policy are adequate, and it was not viable to record all personal data held.</p> <p>Other items highlighted in the Interim Audit Report are covered by items 20.05.04 –05</p>
<p><b>20.05.04</b></p>	<p><b>To review the Terms of Reference for FERM Committee (FRM(20)05.04)</b>  The Clerk advised Councillors of the discrepancy between the Council’s adopted Financial Regulations and FERM’s Term of reference (D)(x) which was raised in the recent audit. The Committee <b>RESOLVED</b> to recommend the amended Term of Reference for consideration by Full Council:  <i>“To consider or review the banking arrangements in conjunction with the RFO and make recommendations for the approval of Full Council”</i>  <b>Proposed by:</b> Cllr Porter      <b>Secoded by:</b> Cllr Abbott</p>
<p><b>20.05.05</b></p>	<p><b>To review the Council’s Financial Regulations (FRM(20).05.05)</b>  This report set out some changes that are required as a result of the Interim Audit (FRM(20)05.03)</p> <p>p.5 FR6.16 Following discussion it was <b>RESOLVED</b> as follows:</p> <ul style="list-style-type: none"> <li>• That the Asst Clerk would be issued with a debit card for both the Lloyds and Barclays accounts. Payments on either account can be instigated by either the Clerk or the Asst Clerk and must be 2<sup>nd</sup> authorised by a Councillor who is a signatory.</li> <li>• That the template form recording use of Debit Card form will be updated to include a Councillor approval signature.</li> <li>• FR6.16 should also be expanded to state a usage policy. It should be expanded to read: <i>“ Any use of the debit card will be recorded on the form designed for such purpose to which the invoice or voucher is attached and signed by the user and countersigned by another designated signatory (who shall be a designated Councillor)”</i>.</li> </ul> <p><b>Proposed by:</b> Cllr Taylor      <b>Secoded by:</b> Cllr Banks</p>

	<p>Reg 5.1 It was <b>RESOLVED</b> to amend this regulation to read:</p> <ul style="list-style-type: none"> <li>• <i>“The Council’s banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council, taking into account the recommendations of FERM. They shall regularly be reviewed for safety and efficiency. The Council may seek credit references in respect of Members or employees who act as signatories.”</i></li> <li>• The sentence relating to the Council seeking credit references in respect of Members or employees who act as signatories shall be removed.</li> </ul> <p><b>Proposed by:</b> Cllr Brown      <b>Seconded by:</b> Cllr Taylor</p> <p>All these recommendations to be taken to Full Council for ratification.</p>
<b>20.05.06</b>	<p><b>To review the scope and effectiveness of Internal Audit arrangements (FRM(20)05.06)</b></p> <p>Following discussion it was <b>RESOLVED</b> that the objectives of the audit were met, that Councillors are happy with the current arrangements and no changes are required.</p> <p><b>Proposed by:</b> Cllr Brown      <b>Seconded by:</b> Cllr Taylor</p>
<b>20.05.07</b>	<p><b>To consider the appointment of the Internal Auditor for 2019/20</b></p> <p>The Councillors discussed if they wished to use SALC for the Internal Audit. It was <b>RESOLVED</b> that SALC would be appointed but FERM requested it is carried out by a different auditor to ensure a different perspective. The Clerk will inform SALC that the Council is pleased with the Audit and Auditor and request a different individual to carry out the Audit following year end.</p> <p><b>Proposed by:</b> Cllr Brown      <b>Seconded by:</b> Cllr Porter</p>
<b>20.05.08</b>	<p><b>To consider additional paper of Data Protection – Response to a Subject Access Request (FRM(20)05.08)</b></p> <p>This paper sets out how the Council would respond to a Subject Access Request. There were no comments and <b>it was RESOLVED</b> to add the paper to the suite of policy documents relating to Data Protection.</p> <p><b>Proposed by:</b> Cllr Porter      <b>Seconded by:</b> Cllr Abbott</p>
<b>20.06</b>	<p><b>To consider Employment Matters</b></p>
<b>20.06.01</b>	<p><b>Staffing Report</b></p> <p>The Clerk reported that from the 1<sup>st</sup> April 2020 the Asst Clerk’s weekly hours will increase to 20, spread over Monday -Thursday, and the Clerk will be reducing his hours to 25 spread over 3 long days (Tuesday -Thursday). Things are running smoothly and there are no issues. The Clerk proposed changing the Handyman’s job title to “Maintenance Officer” which better reflects the range of work he does and his contribution to the Council. FERM Councillors <b>RESOLVED</b> to agree this change and the Clerk will start consultation with the handyman over the proposal.</p> <p><b>Proposed by:</b> Cllr Abbott      <b>Seconded by:</b> Cllr Taylor</p>
<b>20.07</b>	<p><b>To review Risk Management Issues</b></p>
<b>20.07.01</b>	<p><b>Risk Register (FRM(20)07.01)</b></p> <p>The Clerk reported that security measures at the Playing Field are progressing. The electricity supply has been installed and the Asst Clerk is seeking quotes for automatic barriers which will be presented to the Recreation Committee in March. The Committee will need to decide (1) whether the barrier is actually needed and (2) if so, consider the designs and prices submitted.</p> <p>When the lease for the 1<sup>st</sup> Floor tenant is signed, the risk will be removed from the Register.</p>

	The Project/work overload risk will be reduced to low.
<b>20.07.02</b>	<b>Data Protection Risk Register (FRM(20)07.02)</b> The Clerk reported that not all Councillors have returned their DP compliance sheets and that he will chase up those who have not responded. The content of the report was reviewed by Councillors and the document was signed off by the Chair.
<b>20.07.03</b>	<b>Business Continuity Planning (FRM(20)07.03)</b> The Clerk's report was considered, and it was <b>RESOLVED</b> as follows: <ul style="list-style-type: none"> <li>• In respect of the three options for a fire/flood proof safe, to purchase the middle option</li> <li>• The Asst Clerk will research Cloud-based storage systems and present a report to the next FERM Committee meeting</li> <li>• Real Vision will be asked to provide copies of their Risk Assessment and fire safety assessment</li> </ul> <p><b>Proposed by:</b> Cllr Abbott      <b>Seconded by:</b> Cllr Brown</p>
<b>20.08</b>	<b>To Consider Governance Matters</b>
<b>20.08.01</b>	<b>Report of Decisions made by Clerk under the Openness of Local Government Bodies Regulations 2014</b> Nothing to report
<b>20.08.02</b>	<b>To consider Protocols for Public Participation in Meetings (FRM(20)08.02)</b> The Clerk presented a draft of a rewritten and updated protocol. Following discussion on the point of whether to restrict public participation to items on the agenda only, it was considered that it was good to keep it unrestricted and it was <b>RESOLVED</b> to recommend the protocol for consideration by Full Council. <b>Proposed by:</b> Cllr Porter <b>Seconded by:</b> Cllr Taylor
<b>20.09</b>	<b>Committee Chairman's Urgent Business</b> Three items were raised: <ol style="list-style-type: none"> <li>1. Draft Terms of Reference for Land Divestment from ESC – there were no comments and the Clerk will reply to ESC confirming the Council is happy with the terms.</li> <li>2. Rent Deposit – a new account needs to be opened for the deposit from the 1<sup>st</sup> Floor tenant. It was <b>AGREED</b> that an Every Day Saver account will be opened with Ipswich Building Society which gives 0.3% interest. Signatories will be the same as for the existing Business Deposit 2 account.</li> <li>3. Recent email correspondence regarding the sale of St Audry's Sports Ground. There was a lengthy discussion about whether the Council should be involved in the future of this site.</li> </ol>
<b>20.15</b>	<b>Date of Next Meeting</b> The next meeting will take place on Wednesday 8 <sup>th</sup> April 2020 commencing at 19:00 at 17 Riduna Park, Station Road, Melton, IP12 1QT There being no further business the meeting closed at 21:15.