

PORTLAND TOWN COUNCIL

Council Offices
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Dorset
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12th March 2015

Dear Councillor

You are hereby summoned to attend the **ADDITIONAL MEETING** of **PORTLAND TOWN COUNCIL**, to be held in **EASTON METHODIST CHURCH HALL, PORTLAND**, on **WEDNESDAY, 18TH MARCH 2015**, commencing at 7.00 pm when the business set out below will be transacted. This takes the place of a Finance & Resources Committee meeting previously scheduled for the same evening.

It should be noted that it is the Council's intention that all meetings of the Council and its Committees be recorded aurally.

Yours faithfully

Ian Looker
Town Clerk

A G E N D A

- 1. Prayers**
- 2. Apologies for Absence**
- 3. Declarations of Interest** – to receive any declarations from Councillors or Officers of personal or prejudicial interests regarding matters to be considered at this meeting, together with a statement on the nature of those interests.
- 4. Open Forum**
 - a) Police Question Time
 - b) Public Half-Hour
 - c) Reports from Borough and County Councillors
- 5. Minutes** – to confirm the minutes of the Town Council Meeting held on 18th February 2015
- 6. Minute Update and Matters Arising from the Minutes**
- 7. Town Mayor's Announcements**
- 8. Written Questions for the Mayor**
- 9. Financial Matters**
 - a) Payments for Authorisation (to follow)
 - b) 2014/15 Financial Report to 28th February 2015 (attached)
- 10. 2015/16 Budget** – to agree the final amounts in the budget (see attached)
- 11. Ventnor Road Traffic Flow** – in the light of Cllr. Tim Munro's e-mail of 8th March and any subsequent correspondence, to consider any further action
- 12. Internal and External Audits** – the Council's internal auditor, Rosie Darkin will be present to explain and answer questions from members on:-
 - a) the 2013/14 Internal AuditShe will also offer her personal views and interpretation of:-

b) the governance statement in the Annual Return
c) the 2013/14 External Audit (see attached)
The NALC Practitioner's Guide has previously been circulated to members by e-mail.

13. **Reserves Policy** – to consider the adoption of a draft policy together with updated earmarked reserves for 1st April 2015 (see attached)
14. **Risk Assessment** – to approve the 2014/15 risk assessment procedure and consider the exception report of greater risks (see attached)
15. **Marine & Environment Partnership Meeting, 4th March 2015** – to consider the **RECOMMENDATION** – that the £200 intended to be paid for grass-cutting at West Weares be donated to Portland Museum
16. **Events & Tourism Sub-Committee Meeting, 29th October 2014** – to consider the following **RECOMMENDATIONS:-**
 - a) that an Open Garden competition be held next summer
 - b) the the Ceremony of the Keys take place on Sunday, 29th September 2015 at the same time and venue as in 2014
 - c) that Cllr. Nowak be appointed as a member of this Sub-Committee (now Working Group)
17. **Council Grants, 2014/15** – to consider the applications received (see confidential attachment)
18. **Investment Advice** – to receive a report from the Clerk on the meeting with consultants on 26th February (attached)
19. **Separation of Town Mayor and Chairman Roles** – to consider the following motion from Cllr. Chadwick, “that the Council appoints a Chairman of the Council for successive terms of two years in addition to the Mayor, the Mayor acting as Deputy Chairman. It therefore requests the Clerk to review Standing Orders and present draft changes of those Orders which would be affected, to be considered at the next meeting of the Council.”
20. **Neighbourhood Plan** – to seek approval to pursuing further grants in support of the project (see attached)

21. **Council Review** – to consider whether to request a quotation for the second phase, the overall strategic direction (see attached)
22. **Temporary Assistant Clerk** – to receive a verbal report from the Clerk
23. **May Meeting Dates** – to consider a report by the Clerk (attached)
24. **Councillors' News from the Wards** – to receive reports
25. **Reports from Representatives to Outside Bodies and Voluntary Posts**
26. **Exclusion of Press & Public** (discretionary)
“That pursuant to the provisions of Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting for Agenda Item(s) ... by reason of the confidential nature of the business to be transacted.”
27. **Date of Next Meeting**
The next scheduled meeting of the Town Council is due to take place on Wednesday, 15th April 2015, starting at 7.00 pm.

PORTLAND TOWN COUNCIL
TOWN COUNCIL MEETING
HELD ON WEDNESDAY, 18TH FEBRUARY 2015
AT EASTON METHODIST CHURCH HALL

PRESENT: Councillors R. Hughes (Chair), Mrs S. Bradley, G. Chadwick, R. Denton-White, Ms S. Lees, A. Matthews, Miss A. Munro, Mrs E. Munro-Price, I. Munro-Price, T. Munro, R. Nowak, Mrs S. Reynolds, J. Thorner and R. Wild.

IN ATTENDANCE: Ian Looker (Town Clerk), Cllr. Penny McCartney (Weymouth & Portland Borough Council) and approximately fifty members of the public

2761 – PRAYERS

The Clerk led the meeting in prayer.

2762 – APOLOGIES FOR ABSENCE

Apologies were received from Rev. James Menzies (Mayor's Chaplain).

2763 – DECLARATIONS OF INTEREST

Cllrs. Tim Munro, Ian Munro-Price, Elspie Munro-Price and Amanda Munro declared a pecuniary interest as Council Taxpayers in Agenda Item 10 – 2015/16 Budget & Precept, which the Chair applied to all members as having a dispensation to debate and vote on.

Cllr. Munro also said that he would be withdrawing from the meeting for Agenda Item 11 – Ventnor Road.

2764 – OPEN FORUM

a) Police Question Time

No representative of the Police was present.

(b) Public Half-Hour

There was a complaint from one or two of the public present that no microphone was provided to speak into.

Paul Snow congratulated the Finance & Resources Committee on recommending no increase in the Band D charge and looked forward to the full Council endorsing that proposal. He also asked concerning the Neighbourhood Plan, when would it be completed and was the net cost quoted by Cllr. Matthews one-off expenditure? Cllr. Tim Munro said completion was now expected at the end of 2016 and Cllr. Matthews said it was a one-off expenditure.

Jess Nagel said many residents had contacted the Dorset Waste Partnership about the threatened loss of the Island's refuse tip. Was the Council campaigning for its retention? She was concerned that the Island would become a dumping ground for rubbish, as it had been in the past, and the likely effect on flora and fauna.

Dave Owen asked whether the Council was aware of its own dry-stone wall policy with reference to an e-mail had had sent recently. The Clerk was asked to reply.

Mrs Butterworth reported that Grove Road had not been swept since before Christmas and rubbish was blowing about creating an eyesore. The Clerk was asked to write to the Borough and Waste Partnership.

c) Reports from Borough and County Councillors

Cllr. Kimber said he had already started campaigning to retain the refuse tip. Meanwhile the County had raised its share of the Council tax by 1.9% so that the Band D charge was now about £145. Regarding the Navitus Bay wind farm, the County members were largely against it, but he was in favour, considering it environmentally important and a way of reducing the energy bills of local people.

Cllr. Kimber added the County had embarked on creating a number of arm's length trading companies, which would be able to solicit work from outside bodies.

Cllr. Nowak presented a written report on Borough Council activities.

Cllr. McCartney said she was aware of Waste Partnership problems, especially its budget and looking for more accountability from the Partnership.

Cllr. Denton-White asked why there was only one Portland councillor on the Borough's Management Committee. Cllr. Nowak said the composition depended on what names were put forward by each of the political groups.

Cllr. Denton-White also queried the current situation concerning the Coastal Strip. Cllr. Nowak replied that matters depended on the 1951 Act, which did not require planning permission for stone extraction. An appeal was being lodged. If it was not successful the eastern coastline by Southwell could be ripped out. A high court case at the end of the year could result.

2765 – MINUTES OF THE ADDITIONAL TOWN COUNCIL MEETING HELD ON 28TH JANUARY 2015

The minutes were formally approved and signed as a correct record. (For: 13 votes, Against: 0 votes, Abstentions: 1 vote)

2766 – MINUTE UPDATE AND MATTERS ARISING FROM THE MINUTES

a) Minute 2740(c) – Fortuneswell Speed Limit

Cllr. Elspie Munro-Price enquired whether the County had replied. The Clerk said he was not aware. Cllr. Tim Munro produced a County reply to a similar query in 2007, which he passed to the Chair, who then read it to the meeting.

Cllr. Matthews suggested that the erection of a speed indicator sign be explored.

b) Minute 2746 – 2015/16 Budget & Report

Cllr. Tim Munro asked why "earmarked reserves" had been discussed at the meeting when the subject had never been raised at Finance & Resources. Cllr. Matthews said Finance & Resources had identified an earmarked reserve in the budget at its

last meeting. Cllr. Tim Munro also thought that the draft reserve policy should have been presented as a recommendation.

2767 – TOWN MAYOR’S ANNOUNCEMENTS

The Mayor commented that it was the first time since last year that all members were together at a meeting. He expressed concern that the contents of the staffing review report had been leaked to the press and concluded that a member of the Council had been responsible. Cllr. Hughes then proceeded to ask each member in turn whether it was he or she who had leaked the report. Twelve members replied that they had not and two declined to comment.

The Mayor also referred to a visit to the Council Offices by a Mrs Buchanan, the daughter of a former Town Clerk, Mr Leslie Lee.

2768 – WRITTEN QUESTIONS FOR THE MAYOR

There were none.

2769 – FINANCIAL MATTERS

Payments for Authorisation

RESOLVED – that the schedule of invoices (cheque refs. 3239 – 3246) in the sum of £2,149.09 including VAT be authorised for payment. (11-3-0)

2770 – 2015/16 BUDGET & PRECEPT

Cllr. Chadwick moved the recommendation of the Finance & Resources Committee at its last meeting.

Cllr. Ian Munro-Price proposed an amendment, “and that in addition the Town Council agrees to revisit the budget headings and adjust them to fit in with 0.00% increase without the need to use general reserves to create a balanced budget.” The voting was (7-7-0) and the amendment was **CARRIED** on the casting vote of the Chair.

The amended motion was then put to the vote.

RESOLVED – that there be a nil increase in the present Band D Council Tax charge of £15.02 and that in addition the Town Council agrees to revisit the budget headings and adjust them to fit in with 0.00% increase without the need to use general reserves to create a balanced budget.

For: Cllr. Bradley, Chadwick, Lee, Amanda Munro, Elspie Munro-Price, Ian Munro-Price, Reynolds, Thorner and Wild (9)

Against: Cllrs. Denton-White, Hughes, Matthews, Tim Munro and Nowak (5)

Abstentions: None

(Cllr. Amanda Munro left the meeting at 8.30 pm.)

The Chair called for a five-minute adjournment.

(Cllrs. Elspie and Ian Munro-Price left the meeting at 8.35 pm. On resumption of the meeting Cllr. Tim Munro withdrew.)

2771 – VENTNOR ROAD

Cllr. Chadwick contended that Cllr. Tim Munro had brought the Council into disrepute by condoning the breaking of the law. He proposed and it was **RESOLVED** – that the Council request Cllr. Munro to write formally and explain his stated views which suggested people should break the law. The Council believes that Cllr. Munro has brought the Council into disrepute by his recorded comments. (10-0-0)

2772 – FUTURE COUNCIL ACCOMMODATION

Cllr. Thorner said that the Council needed to consider accessibility for disabled people in making a decision. If the current Offices were sold the receipts should come to the Town Council.

Cllr. Hughes mooted briefly the possibility of retaining the present Offices and developing them.

Cllr. Nowak declared his interest as a Borough Councillor and member of its Asset Management Group. He said that he had been pushing for a speedy resolution of the Town's accommodation problem at the Group. It was an option for the Borough to return the Offices to the Town's ownership, but the cost of restoring the building to a decent level of maintenance was high. The estimated cost merely of making it watertight was £100,000. It did not help that there had been losses of staff recently in the property department. One possibility was adding extra accommodation for the Town Council at the Fire Station.

Cllr. Tim Munro spoke of the undertakings given by the Borough in 2007 when the Offices were being considered for redevelopment. He was not aware that the Borough Management Committee had ever had the opportunity to discuss the issue.

2773 – LIAISON MEETING WITH WEYMOUTH & PORTLAND BOROUGH COUNCIL

Cllr. Wild drew attention to the Borough's support for retaining the Island's recycling centre.

Cllr. Matthews valued the Borough's wish to bring services together, for example parks and gardens with the ranger services, which he saw as an opportunity for the Town.

2774 – COUNCILLORS' NEWS FROM THE WARDS

Cllr. Chadwick said that fly-tipping was becoming a serious issue again on the Island.

Cllr. Wild reported on concerns about the Borough bricking up tunnels on the Merchant's Railway without liaison. He also spoke about updates to the Island Resilience Plan.

Cllr. Lees had visited the sites of all the Council's grit bins to check their state. However the bin for Killick's Hill is still not in place.

Cllr. Thorner reported on a recent traffic incident in Chiswell. He felt the emergency traffic control set up had not been satisfactory. Cllr. Thorner also referred to a problem of builders' rubble being dumped in the bin area of an Aster block of flats at Westcliff. He understood the tenants were being fined while the rubbish remained. Cllr. Nowak had heard that Aster and DWP were in discussion about the problem.

2775 – REPORTS FROM REPRESENTATIVES TO OUTSIDE BODIES AND VOLUNTARY POSTS

None were presented.

2776 – COMPUTER SYSTEM BACK-UP

The Clerk presented a written report on measures that had been taken to provide a new back-up system. Retrospective approval was agreed for the new hard drive necessary.

(Cllr. Thorner left the meeting at 9.10 pm.)

2777 – ADDITIONAL STAFFING PROVISION

It was proposed by Cllr. Wild and **RESOLVED** – that a temporary Assistant Clerk be appointed for a period of three months. (8-2-0)

2778 – DATE OF NEXT MEETING

The next meeting of the Town Council is due to take place on Wednesday, 15th April 2015, starting at 7.00 pm.

The meeting ended at 9.20 pm.

Signed Dated
(Chair)

Minute Update

a) Minute 2764(b), para 4 – Dry-Stone Walling

An acknowledgement has been sent to Mr Owen.

b) Minute 2764(b), para 5 – Rubbish in Grove Road

Letters have not yet been sent.

c) Minute 2766(a) – Fortuneswell Speed Limit

The reply of Dorset Highways regarding the speed limit and Brackenbury car park is appended. I shall take up the speed limit issue with the Safer Neighbourhood team.

d) Minute 2770 – 2015/16 Budget and Precept

The details of the 2015/16 precept have been notified to the Borough by e-mail (19th February) and formal letter.

Minute Update (c)

Dear Mr Looker

Please see below responses to the two issue raised in your email dated 23/02/15:

Brackenbury Car Park Access

Traffic safety mirrors

It is the responsibility of the land/property owner to ensure good visibility from their private access onto the public highway. After all reasonable alternative works have been carried out to improve visibility, such as cutting back vegetation, then placing a visibility or safety mirror on private land is an option with the permission of the land owner. Dorset County Council do not approve mirrors on the highway.

Fotuneswell Speed Limit

If there is a perceived speeding issue at this location Dorset County Council are unable to take any action against speeding traffic, we have been advised that all enquiries regarding speeding should be addressed to the Safer Neighbourhood team. A website has been created where problems can be reported and they will be looked at by the police and Safer Neighbourhood teams. The website is called Dorset Road Safe on <http://www.dorsetroadsafe.org.uk> or dorsetroadsafe@dorset.pnn.police.uk.

Regards

Ian Newport
Dorset Highways

[Edited]

Portland Town Council - Financial Report, 18.3.15

	Budget 2014/15	Expend. 2013/14	Expend. to 28.2.15	Projected 2014/15	Paid / Rec'd to Date (%)
EXPENDITURE					
Salaries	23,287	23,112	21,303	23,300	91.48
Advertising	400	449	330	360	82.50
Audit	805	521	1,234	1,665	153.29
Civic Expenditure	1,541	1,603	1,265	1,300	82.09
Computer Equipment	0	0	636	640	-
Computer Software	50	62	0	50	0.00
IT Support	260	200	295	320	113.46
Contingency	1,241	0	0	0	0.00
Elections	1,500	738	5,850	5,850	390.00
Furniture & Equipment	378	376	513	640	135.71
Honorarium	100	100	100	100	100.00
Insurance	1,300	1,287	1,298	1,300	99.85
Mayoral Allowance	700	700	700	700	100.00
Miscellaneous	0	144	0	50	-
Postage	600	822	677	740	112.83
Publications	0	116	18	20	-
Stationery	600	689	786	860	131.00
Subscriptions	1,400	1,676	1,468	1,470	104.86
Telephone / Internet	600	632	585	610	97.50
Training / Conferences	100	105	95	100	95.00
Travelling & Subsistence	100	110	53	60	53.00
Sub-Total	34,962	33,442	37,206	40,135	106.42
Gifts and Donations	210	50	50	50	23.81
Grants	3,000	1,994	0	1,000	0.00
Island Caretaker	15,000	7,915	3,884	3,900	25.89
Neighbourhood Plan Projects	5,500	4,234	4,734	5,134	86.07
	0	0	1,216	1,220	-
Town Crier	50	35	35	40	70.00
Website	1,500	1,051	1,200	1,200	80.00
Sub-Total	25,260	15,279	11,119	12,544	44.02
TOTAL	60,222	48,721	48,325	52,679	80.24
INCOME					
Precept	50,222	47,910	50,222	50,222	100.00
Discount Grant	4,000	4,726	4,051	4,051	101.28
Fair	3,000	750	2,000	2,000	66.67
Interest	500	644	233	235	46.60
Neighbourhood Plan Grant	2,500	6,300	700	2,766	28.00
Other	0	46	81	80	-
TOTAL	60,222	60,376	57,287	59,354	95.13
SURPLUS / DEFICIT (-) FOR YEAR	0	11,655	8,962	6,675	

Island Caretaker

Expend. to
28.2.15

EXPENDITURE

Contractor Payments	3,590
Building Materials	92
Equipment	22
Skip Hire	180
Total	£3,884

Neighbourhood Plan

Expend. to
28.2.15

EXPENDITURE

Consultant's Fee	2,800
Staff Overtime	329
Advertising	692
Computer Software	260
Printing	104
Stationery	49
Website	500
Sub-Total	£4,734

Agenda Item 6(b) supplement

Projected Outturn Movement 2014/15

Main Movements since last report

Minor Movements

Net position surplus 11 Feb 2015	-£6,428		
Audit	£165	Subscriptions	£30
Reduction in staffing costs assumptions for vacancy	-£160	Postage	-£10
Civic Expenditure -	£210	Stationery	£90
IT Support	£140	Telephone/Internet	£10
Neighbourhood Plan-to reflect invoices received	-£366	Other	-£60
Neighbourhood Plan Grant - to reflect Locality Grant	-£266	Training/Conferences	-£30
Net minor movements	£30 ←	Total minor movements	£30
Net Surplus as at 18.3.15	-£6,675		

Portland Town Council – Budget 2015/16 Working Draft
Mar-15

Notes

	Expend. 2013/14	Budget 2014/15	Projected 2014/15		Core	Non Core	T Review
EXPENDITURE							
Salaries	23,112	23,287	23300	Staff Review Based on new staff taking up pensionable entitlement includes consolidation of Jan 2015 pay award . Existing hrs and structure	23824		
Advertising	449	400	360	Core £14 * 12 months	280		
Audit	521	805	1665	Internal Audit £620, External £400	1020		
Civic Expenditure	1,603	1,541	1300	Keys £550, Mayor Making £450	1000		
Computer Equipment		0	640	Provision laptop+peripheral			300
Computer Software	62	50	50	MS365 (£120) + Accountancy(£120)+Anti			360
IT Support	200	260	320	4 call outs * £50			200
Contingency		1,241	0	None currently set			
Elections	738	1,500	5850	Proposed annual provision per Dec FR	6000		
Fair Expenses		0					
Furniture and Equipment	376	378	640	Provision £100, Copier £103 per			612
Honorarium	100	100	100	Chaplain	100		
Insurance	1,287	1,300	1300	3 year agreement but confirm	1300		
Mayoral Allowance	700	700	700	Core or non core ?	700		
Miscellaneous	144		50	Defer rock salt purchase	144		
Postage	822	600	740	Move to electronic distribution review impact/ Provision meanwhile/£40 keys	40		750
Publications	116	0	20	No provision			
Stationery	689	600	860	Accept	710		
Subscriptions	1,676	1,400	1470	Return as core element following Nov 19 2014 TC	1440		
Telephone	632	600	610	New System £25*12 months	0		300
Training / Conferences	105	100	100	Propose increase to allow for staff and new	1000		
Travelling & Subsistence	110	100	60	Conditions of service	100		
Room Hire				£70 a month *12 months/ Matched by WPBC Income		840	
Sub-Total	33,442	34,962	40,135		37,658	840	2,522
Gifts and Donations	50	210	50		50		
Grants	1,994	3,000	1000	To match grants core value assumed at 1000	0	1000	
Maintenance / I. Caretaker	7,915	15,000	3900	Provision currently maintained in full	15000	0	
Neighbourhood Plan	4,234	5,500	5134	Project Non Core	3000	3,600	
Projects		0	1220				
Town Crier	35	50	40		50		
Website	1,051	1,500	1200	IT Review o/s item			1200
Sub-Total	15,279	25,260	12,544		18,100	4,600	1,200
TOTAL	48,721	60,222	52,679		55,758	5,440	3,722
64,920							
INCOME							
Precept	47,910	50,222	50222	Based on £15.02 (Band D)	50731		
Discount Grant	4,726	4,000	4051	Grant confirmed	3390		
Fair	750	3,000	2000	To match grants		1000	
Lengthsman / I Caretaker		0		Project non core			
Neighbourhood Plan Grant	6,300	2,500	2766	Project non core		3600	
Interest	644	500	235	Provision	220		
Other	46	0	80				
Room Hire WPBC						840	
TOTAL	60,376	60,222	59,354		54,341	5,440	0
59,781							
SURPLUS / DEFICIT (-)	11,655	0	6,675		-1,417	0	-3,722
-5,139							
FOR YEAR							
Release of Reserves to match							
Excess election costs (£5850-£1500)			£4,350				
Additional Fair Income to earmarked reserve			-£1,000				
Release of Reserves to meet Staff Review costs			£960				
Release of Reserves to meet Computing Capital Items			£640				
Revised position			£11,625				
Caretaker (£15000-£3900) to earmarked reserve			£11,100				

Risk Assessment Process 2014/15 and 2015/16 Agenda Item 14

Internal Audit Advice

Our Internal Auditor has advised

To ensure a pass on the risk assessment section:

- The risk assessment should be carried out by members (albeit this can be via a smaller committee or working group, with a report from that body being considered by council);
- It should be carried out once every financial year (it doesn't matter when, albeit it is good practice to carry out the risk assessment prior to renewing the council's insurance in order to ensure that your insurance can be amended for any findings if necessary); and
- The minute of the review should contain sufficient detail to capture members' involvement. Please don't go to the trouble of constituting working groups and reviewing the risk assessment in depth only to fail because the minute says 'the risk assessment was noted'.

Council Process (to be adopted for 2015/16)

It is proposed that monitoring the risk assessment process is delegated by the Town Council to the FR committee who shall constitute relevant working groups or utilise the Clerk Liaison Group to progress actions identified to alleviate any critical areas of risk identified.

Critical areas shall be those designated as having a risk rating of 4 or more calculated from the LCRS software used . These may also be coloured red to assist with reporting.

A full listing of all risks shall be reported to the appropriate working group normally in June of each year who shall then agree those designated as critical. From this an action plan is prepared.

This information is then reported to FR who shall define the timescale for the various items to be appropriately dealt with.

Notwithstanding this a review of the action plan by the FR Committee shall be required at least twice a year.

A report shall be made to the Town Council annually although the full council make ask for a report from the Finance and Resources Committee at any time.

Equally if an issue arises which a member or the Clerk considers should be adjudged of a critical nature then the Mayor and Deputy Mayor shall have the authority to take appropriate action within agreed financial limits to mitigate any such risk.

Council Process in 2014/15

In 2014/15 the Council followed a process which reflected as much as possible the above.

In April a report was prepared which collated all risks brought forward from 2013/14. In October 2014 this was updated to include comments from the Internal and External Auditors. This report was presented to the FR Committee. It was also part of the information supplied to the External Consultant for the Staffing Review.

The Staffing Review set out various actions in regard to procedures and controls a number of which are being or have been progressed. An updated Full Risk assessment has therefore been compiled which has been reviewed by CLG members and an action plan covering the critical risk elements is attached.

Calculation of Risk

Risk is calculated by defining likelihood of the risk happening and the impact if it occurs. A risk value is calculated by multiplying the likelihood by the impact with the system assigning greater weighting to certain risk areas.

Investment Advice

Representatives from several town councils were present to interview two prospective investment consultants, which I shall refer to as Company A and Company C. The Council folk divided into two groups to interview the two company representatives in turn. Cllr. Matthews and I were in a group containing officers from Bridport, Dorchester, Lyme Regis and Sherborne Town Councils.

We saw Company C first. The gentleman concerned said “no job was too small,” although the funds at our disposal are plainly much smaller than those of the other four councils mentioned. Each customer is allocated a particular company team member. This person would start with an overview of our balance sheet, analyse our funds and assess our risk “appetite.” Different investment opportunities are presented up to high-risk property funds that offer 5 – 10% interest per annum.

Company C would charge by the day and is probably cheaper than Company A.

Company A is smaller than C, the founder being an ex-employee of Company C. It provides advice to Swanage Town Council and several small parish councils. It would hold regular meetings with the customer to discuss both generic and individual issues. The representative thought it would be better for the councils to start with a one-year contract to test the water first as it were.

Company A would charge a fixed fee as per the contract. Unsurprisingly the town councils differed in their opinions of the two companies, though the majority, including ourselves, favoured Company A. The general feeling was that the councils should band together into a consortium, splitting the fee charged in proportion to the members’ investment contributions. It seemed that both Companies A and C would be willing to deal with the councils on a consortium basis, though apparently this would be a new departure from their normal working practice.

We currently await advice from the clerks at Dorchester and Sherborne on how matters are progressing.

Neighbourhood Plan

The attached paper informs details shown in the budget report for 2015/16.

Neighbourhood Plan Additional Grants

The Department of Communities and Local Government have recently announced a new series of grants which are set to run until 2018. They offer two type of support with grants of £8,000 to meet the cost of certain elements within the Neighbourhood Plan development and grants of £6,000 to cover specialist studies that may be required. It may be possible to apply for more than one allocation up to four allocations although it is anticipated the norm would be two.

Grants are for areas with complex issues in our instance we qualify because our plan covers 3 wards and incorporates areas of multiple deprivation which cover 30% of the plan area. There are also growth elements which we can demonstrate.

There are however elements of a Neighbourhood Plan programme which are not covered and it is therefore important that the Town Council maintains an allocation from own funds.

Neighbourhood Plan Position

Our external advisor has reviewed the programme and has made a number of proposals about moving forward. This will be reported in more detail at the Management Group meeting on 25th March. He has identified as we originally felt that the Local Plan does not properly support the potential of the Island which is why we started on the Neighbourhood Plan originally. He considers that the Island does need a full scale development plan and these grants do provide an opportunity to progress this.

However to move through the next stages maybe difficult during the purdah period and also it is felt that the new council will need to consider the position. Accordingly the Working Group has felt it appropriate to concentrate during this time on bringing various issues up to date.

The group is however moving forward with the Economic Development Review which will eventually inform the Neighbourhood Plan's progress.

Andy Matthews

Council Review

The Council's original intention was to focus the review on both its present and future operations. The first part has been completed, though a decision has not yet been reached on some of the report recommendations, particularly with regard to staff hours and salaries.

It has been argued with some justification that decisions cannot be made without knowing what strategic direction the Council intends to take in the future. The recommendation is that the Council take a small first step and request a quotation from our nominated consultant for provision of the second review. When that is returned a decision can be made whether to proceed by the Council, either the present membership or the newly-elected one.

May Meeting Dates

At present we have the 20th May as an ordinary Council meeting and 26th as Mayor-Making. The problem with this is that I had overlooked the requirement that the election of a new Mayor has to be carried out at the first meeting of the new Town Council, that is setting aside any thoughts of a separate Chairman of the Council for the moment. So, given that 20th May becomes the meeting when the Mayor is decided, should it be the customary civic Mayor-Making event or, as last year, make it "Portland-only" without a buffet afterwards? In the latter case the appointment of committee chairs etc could also be agreed, perhaps with some "normal" Council business added. The meeting on the 26th would serve as the usual adjourned meeting, depending on how much business was carried forward from Mayor-Making.

After discussions with the Mayor and Deputy Mayor it is suggested that there be a private, semi-formal meeting of Town Councillors on the evening of the 19th. There may well be new Councillors resulting from the elections and this meeting would serve both as an induction process for them, but also an opportunity for the new members to become acquainted with the experienced ones and vice versa.

The induction process for new Councillors is normally carried out by the Clerk on a one-to-one basis, but this could be widened to include some of the more important topics that the Council is dealing with at present, allowing members to contribute their opinions if so desired, reflecting the range of views within the Council rather than one particular attitude.



FINAL

Internal audit report 2013/14

PORTLAND TOWN COUNCIL

Date: 24 June 2014

Report author: R Darkin-Miller
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Introduction

This report contains a note of the audit recommendations made to Portland Town Council following the carrying out of internal audit testing on site on the 10 April 2014, 28 April 2014 and 18 June 2014, and in the office on other days.

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

The internal audit for 2013/14 has now been completed in accordance with the provisions of the Practitioners' Guide and the CIPFA code of internal audit practice.

Many of the Council's current financial controls are operating effectively.

However, following the completion of the testing to date I consider that there are three areas of weakness which are sufficiently material to warrant a "no" answer in the Annual Audit Report section on the Annual Return. The report is therefore satisfactory with the exception of the following items:

C: Risk Management Arrangements

The Council has carried out a lot of work in the year and post year-end to improve its understanding of the risks to achieving its objectives. However, the risk assessment review which went to Members in May/June 2013 was carried out by the Clerk and one Member of the authority, with the related Council minute noting that the Council 'accepted a brief report on risk assessment from the clerk'. The Practitioner's Guide requires that the Council has assessed the significant risks to achieving its objectives and has reviewed the adequacy of arrangements in place to manage these: this test requires a higher degree of active involvement by the Council than that evidenced in the year.

F: Petty Cash

Although the Council did not use a high value of petty cash in the year, the petty cash spent was not always supported by receipts or supporting documents. In addition, the payments do not appear to have been formally approved by members.

Note that the Council stopped using petty cash after the year-end. Unless the Council re-introduces petty cash, this will cease to be a control weakness in 2014/15.

I: Bank Reconciliation

The Council did not carry out a bank reconciliation (comparison of bank statements to the

accounting records) in-year. The reconciliation was carried out by the auditor during the Internal Audit. This is a fundamental control weakness.

Please attach a copy of this report to your Annual Return when you send it to your external auditor.

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	5
Medium	7
Low	5
TOTAL	17

I would like to thank Ian Looker, Town Clerk and Cllr Andy Matthews for their assistance during this audit.

Darkin Miller Chartered Accountants
2013/14 INTERNAL AUDIT OF PORTLAND TOWN COUNCIL
FINAL REPORT: 24 JUNE 2014

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
B.1 – Minutes – completeness	<p>The minutes of the Town Council meeting held in July 2013 (which are appended to the August 2013 agenda papers) were not on the minute file. It is a legal requirement that minutes are kept.</p> <p>The minutes should be located and properly filed as soon as possible.</p>	Medium	The minute book copy of the agenda was mislaid. However a signed replacement is now on file.	Clerk / Admin Assistant	
B.2 – Minutes – approval	<p>The minute for the Annual Town Council meeting of 9th May 2012 was not signed off until the next Annual meeting of 15 May 2013.</p> <p>Minutes of an annual council meeting, if not signed on the same day, should be signed at the next ordinary council meeting and not held over for a year.</p>	Medium	The comment is noted and will be followed up in 2014.	Clerk	
B.3 – Minutes – payment schedules	<p>It would improve the financial controls of the authority if the agenda papers for Town Council meetings also include a copy of any payments lists approved at that meeting.</p> <p>This would improve the audit trail for the approval of the payments.</p>	Low	This procedure has been implemented.	Clerk / Admin Assistant	
B.4 – Minutes – dating of signature	Two of the Town Council minutes for the year were signed but not dated.	Medium	I would need advice on which minutes are referred to. The December minutes were included in agendas subsequent to being approved and	Clerk	

	Minutes should be dated at the time that they are signed in order to evidence their review by members at the next meeting of Council.		signed, but these copies are neither signed nor dated.		
B.5 – Budget monitoring	The budget report for June was not produced due to a lack of time. It is important for budgetary control that budget monitoring information is produced monthly to enable members to review the financial performance of the Council and take any necessary corrective action.	Medium	Noted. However there are issues of staff resources, which the Human Resources & IT Group is aware of and addressing.	Clerk	
B.6 – Cheque payments	<p>The Clerk currently holds a small number of signed, blank cheques in order to make payments to one supplier in between Council meetings. The holding of signed, blank cheques represents a significant internal control weakness and exposes the Council to a correspondingly significant risk of fraud or error. It also usually invalidates any fidelity insurance held by the Council.</p> <p>It is recommended that this practice ceases immediately and that the supplier concerned is put on the Council's normal payment terms.</p>	High	<p>I accept the criticism. However the expedient was carried out to satisfy the contractor's expectation of prompt payment following his own apparently sizeable financial commitment in fulfilling the task. Check signatories were made aware of this.</p> <p>See also Recommendation 9.</p> <p>I have also sought the auditor's advice in strengthening Councillors' monitoring of our financial systems, possibly through a financial briefholder.</p>	Clerk	
2.1 – Standing orders and financial regulations	The standing orders and financial regulations of the Council have not been reviewed in a number of years. It is important to review these key governance documents regularly to ensure they remain appropriate, especially given the recent changes e.g. to electronic payments.	Medium	I accept that a review is long overdue. Part of the delay has been caused by waiting for two updates to model standing orders and Council has been made aware. However there have also been resource problems in convening a meeting of the Standing Orders Working Group.	Clerk	

2.2 – reimbursement of expenses	<p>One of the payments made in the year was to a member of staff reimbursing them for expenditure incurred on behalf of the Council. The receipt for the goods purchased was provided, but no expense claim was completed.</p> <p>The Council should consider introducing expense claims for the reimbursement of expenditure. Such claims represent good practice, as they require staff to self-certify (by signing the form) that the expenses that have been incurred are wholly for the benefit of the Council.</p>	Low	<p>I am happy to implement this procedure provided we can keep the detail on the form to an essential minimum.</p>	All Staff	
2.3 – review of expenditure	<p>Members signing the cheque requisition form and cheques should ensure that they review the related invoice to check that the invoice appears reasonable and that the amount to be paid per the cheque is correct. Such a check is a critical part of the financial controls of a smaller authority where, due to the small number of staff, it is not always possible to segregate the duties of ordering goods and services from the raising of cheques and making payments.</p>	Medium	<p>I suggest that this is difficult to implement fully because of the time pressure members are frequently under when asked to sign cheques.</p> <p>A “long-stop” financial briefholder (see Recommendation B.7) might complement this process.</p>		
2.4 – VAT reclaim	<p>The Council submits a VAT refund claim annually in order to reclaim VAT incurred on expenditure during the year. This claim can be submitted once the year end invoices have been processed, but the latest claim (for the year ended 31 March 2013) was only submitted on 25 March 2014.</p>	Medium	<p>I am continually required as Clerk to work more hours than I am contractually paid for in order to achieve what I believe is a satisfactory level of output.</p> <p>In December 2013 and January 2014 the Council proposed to increase its precept by about 1000%. This created a storm of protest among the Islanders.</p>		

	VAT refunds should be submitted promptly in order to reclaim money owed to the Council in a timely manner.		Extra meetings had to be held to conclude the matter (a precept rise of 1.99%). With related extra calls on staff time much routine administration had to be delayed and the completion of the annual CAT return suffered as a result.		
3.1 – Risk assessment	<p>The Practitioner's Guide requires that the Council carries out an annual risk assessment in order to ensure that the threats to achieving its corporate objectives have been identified and, where possible, mitigated against. The guide requires that the Council carries out the risk assessment in order that Members as a body understand and are involved in the management of risk.</p> <p>It is recommended that this be borne in mind when the risk assessment is next reviewed and its review and approval minuted.</p>	High	After several years the Council completed its first risk assessment in April – May 2013. As a result it might be excused for wanting to take a “breather.” However one of the Councillors has started a new risk assessment, arguably in greater detail than the previous one and we hope to conclude the exercise in the near future.		
4.1 Budgetary control	<p>The current financial report shows the variance as a percentage of the amount of budget paid or received to date. Budget monitoring reports more commonly show the amount of over or underspend (a comparison of the budget for the period to the actual spend for the period), along with an explanation for any significant variances.</p> <p>The Council may wish to consider revising the format of its budget monitoring report if this alternative presentation was felt to be more helpful.</p>	Low	Although it may be slightly unorthodox I believe the percentage of budget used against the theoretical level for the time of year eg 33% after four months of the financial year enables a quick uniform appraisal of the monthly reports. Reckoning in terms of money over- or underspent is a non-uniform method of assessment. A shortfall of say £100 may be very significant for a small budget, but much less so for a large budget.		
6.1 Petty cash	The audit testing of Petty Cash identified that not all expenditure is properly recorded,	Low	We have not used the petty cash for payments in the last two financial		

	<p>supported by VAT invoices/receipts or regularly reported to Council to ensure that it is properly approved.</p> <p>The Council did not have significant expenditure via petty cash, and I understand from discussions with the clerk that the Council has dispensed with petty cash in 2014/15.</p> <p>Should the Council decide to re-introduce petty cash, the following recommendations should be borne in mind:</p> <ul style="list-style-type: none"> • Any expenditure should be recorded and supported by VAT invoices/receipts. • Petty cash expenditure should be regularly reported to the Council to ensure that it is properly approved. 		<p>years, particularly because of one anomaly which arose.</p> <p>I consider the convenience gained is outweighed by the risk of errors being made in operating the system.</p>		
7.1 – Island caretaker	<p>The caretaker has been appointed as a contractor. There is a possibility that HMRC might consider his terms and conditions to be such that he should actually be classed as an employee.</p> <p>The Council should review HMRC's guidance in this area as soon as possible to ensure that they have made the correct classification of this contract and that, if due, any NI and PAYE is paid over.</p>	High	I agree with the auditor's comments.	Clerk	
7.2 – Staff contracts	<p>A review of the staff contracts showed that one of the contracts does not contain the current scale point and weekly hours of one of the members of staff.</p>	High	The point is accepted.		

	<p>It is recommended that the contracts are reviewed to ensure that they are up to date and include the scale points and weekly hours approved by Council, and that they are signed. This will help to ensure that both staff and the Council are clear about the obligations and rewards.</p>				
8.1 – Fixed Assets	<p>The initial testing of assets revealed that the asset register had not been updated since last year.</p> <p>Although there were no additions in the year, it is good practice to update the asset register to show asset values at the year-end, even if the extent of the update is to re-title the register ‘...as at 31 March 20XX’.</p>	Low	The point is taken.		
9.1 Bank reconciliation	<p>During the audit it became apparent that the bank reconciliation (a comparison of bank transactions per the cashbook or financial ledger; with those listed in the bank statements) has not been carried out during the year. A review of the prior year audit working papers showed that this was also an issue in 2012/13.</p> <p>In both 2013/14 and 2012/13, the year-end bank reconciliation (an operational process) was ultimately carried out by the Internal Auditor (who is appointed to review the Council’s operational processes). This is inappropriate.</p> <p>A bank reconciliation is a fundamental financial control. It compares what is showing on the Council’s accounting records</p>	High	<p>Reconciliations were carried out for the early months of the year, but then they were shelved in the face of competing priorities.</p> <p>The point is taken about good practice, but when exceptional circumstances occur as they did at the start of 2014 expediency has to take over from good intentions.</p>		

	<p>with independent third party evidence of what has actually gone through the bank account.</p> <p>Without a proper bank reconciliation, the Council has no independent verification of its bank payments and receipts. This increases the risk of fraud or error, and the risk of missing transactions which are initiated in the bank statements (direct credit/debits or standing orders).</p> <p>If a proper bank reconciliation is only carried out once a year it invariably increases the amount of time necessary to identify and correct errors.</p> <p>The reconciliation currently carried out is an analysis of movements on the bank statement month on month into receipts, payments (excluding VAT) and VAT. At the start of the audit (10th April) this reconciliation had only been carried out up to the end of August 2013.</p> <p>Bank reconciliations should be performed regularly (ideally monthly, but at least quarterly for a Council of this size) and in a timely fashion in order to ensure that any fraud or error is promptly identified and challenged or corrected.</p>				
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