

Minutes of the Axe Brue Policy, Finance and Governance Sub Committee held on Tuesday 12 June 2018 10:30hrs at Bradbury House, 33-34 Market Street, Highbridge.
Chairman: Cllr A Gilling

- 1 **Attendance & Apologies for Absence:** As per register appended. The Clerk welcomed Adam Williams and Alistair Woodland from South West Audit Partnership.
 - 2 **Items Additional to the Agenda:** None
 - 3 **Declarations of Interest:** Cllr A Gilling – All matters relating to planning and Ashfords.
 - 4 **Minutes of the P, F&G meeting held on 16 January 2018:** (appended Enc 1) Having previously been circulated and no comments received, the Minutes were signed by the Chairman as a true and accurate record of the meeting held.
 - 5 **Matters arising:** None.
 - 6 **Audit:** Appended Enc 2. Although the internal audit review was considered as satisfactory, it was noted that some of the internal control measures required further action to improve or maintain the accuracy of records.
Part B: *The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.* The Audit Report recommended a review of the procurement rules on threshold limits, currently set at £250, to provide greater flexibility to Officers in purchasing items without the need for written quotations. A revised threshold of £1,000 was proposed by the Clerk. The Committee agreed in principle to the increase but would await the resolution of the other checks-and-balances arising from the Audit Report before implementing a change.
An Approved Supplier List (ASL) was in progress of generation which would also provide flexibility and a more appropriate control framework to the procurement process
Part C: *The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.* Although it was evident that Risks were being captured and reviewed on a regular basis, the Clerk commented that further work was necessary (See AI 10).
Part E: *Expected income was fully received, based on correct process, properly recorded and promptly banked; and VAT was appropriately accounted for.* Income – the Drainage Rating System (DRS) provided a reconciliation process with the accounts system.
Part F: *Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.* The Board did not use Petty Cash, however Government Procurement Cards (GPC) were used and segregation of duty was evident. All VAT receipts needed to be included with GPC statement reconciliations and internal processes to ensure all GPC Purchases were evidenced with accompanying receipts and Transaction Logs was required to be implemented by all Officers, especially Expenditors.
Part G: *Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.* Some weaknesses were identified with the authorization process for claims, however there was a satisfactory division of duties.
Part H: *Asset and investments registers were complete and accurate and properly maintained.* An asset register and building inventory were held, however regular annual reviews of assets was recommended.
Part I: *Periodic and year-end bank account reconciliations were properly carried out.* Bank statements are to be reviewed regularly to not diminish the value of the control. An independent review was recommended i.e. a Board Member.
- Action 1** The Clerk took an Action **to produce a report for the next Policy, Finance & Governance (PFG) meeting of actions taken to address the SWAP Annual Audit findings.** RGB
- Action 2** The Clerk also took an Action **to develop and Audit Plan for consideration at the next PFG meeting to focus on Internal Audit activities for the coming financial Year.** RGB

- 7 Budgets:**
Axe Brue Balance Sheet & P&L Account Year Ended 31 March 2018: (TOR Refs: 7, 9, 10)
 Appended at Enclosures 3 and 4.
 SMG provided an overview of the explanatory notes, advising that the SDBC Carried Forward Balance (Revenue account surplus for the year) should have read £1,015, with a balance of £47,577. SMG advised that he was satisfied with the balances as budgeted.
 Axe Brue had budgeted for a deficit. However, at Year End there was a surplus of £43,667, partly due to engineering works not completed.
 Pensions: the pension scheme was in deficit due to the financial climate. Actuaries value and review the scheme tri-annually. Each organisation involved would receive an individual employer review and the total deficit was contributed to by all organisations.
 Drainage rates outstanding at Year End were made up of unknown occupier/landowners, death/probate accounts and land changes/enquiries.
- 7a Review of Annual Governance & Accountability Return 2017/18 Part 3:** Appended Enclosure 5. **Section 1:** Members were satisfied that there was a sound system of internal control, including arrangements for the preparation of the Accounting Statements and recommended that the Axe Brue Full Board answered 'Yes' to the eight statements of the Annual Governance Statement.
Proposed A Franks, Seconded W Welland "that the Axe Brue Policy, Finance & Governance committee recommends the Full Board answers 'Yes' to the eight Annual Governance Statements at the meeting on 26 June 2018." All in favour RESOLUTION RESOLUTION 1 RES 1
- 7b Section 2:** members were satisfied that the accounting statements within Section 2 were in accordance with the year-end accounts.
Proposed D Tratt, Seconded Cllr R Keen "that the Axe Brue Policy, Finance & Governance committee recommends the Full Board approve the Accounting Statements at the meeting on 26 June 2018." All in favour RESOLUTION 2 RES 2
- 8 Banking: Review of DRS Resilience (TOR Ref: 26)** Previously discussed at Items 6 & 7.
- 9 Specific Delegated Authority: Procurement Policy Review (TOR Ref: 26)** Previously discussed at Item 6.
- 10 Risk Management: Risk Review (TOR Ref: 28)** The Clerk advised that the Risk Register was a live working document but took an Action to ***conduct a line-by-line review of the Risk Register to ensure coherence with the Risk Strategy and ensure that all Risks captured the clear mitigating Actions and timescales required to allow Risks to be actively managed at a working level and provide update at the next PFG meeting.*** Action RGB
- 11 Date of next meeting:** Axe Brue Full Board 26 June 2018, 10.30hrs.
 Date of next PFG to be confirmed based on Reconstitution progress
- Mr M Watts requested that all local authorities provided a list of appointed member volunteers to walk the rhynes once the new Board was constituted (to act in place of the retiring elected members). It was agreed that this matter should be taken to the Full Board.

There being no other business the Chairman thanked members and officers for their time and contributions.
 The meeting was closed at 11.40hrs

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 CHAIRMAN

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