

KENDAL TOWN COUNCIL

Audit, Grants and Charities Committee

**Monday 25th April 2016 at 6.30 pm
in The Mayor's Parlour, Town Hall, Kendal**

- PRESENT** Councillors Rachael Hogg (Chair), Matt Severn (7.30pm onwards), Andy Blackman and Paul Bramham
- APOLOGIES** Councillor Guy Tirvengadam
- OFFICERS** Jack Jones (Town Treasurer) and Nicky King (Council Secretary)
- 1129/15/16 PUBLIC PARTICIPATION**
- None.
- 1130/15/16 DECLARATIONS OF INTEREST**
- None.
- 1131/15/16 MINUTES OF THE MEETING HELD ON 25TH JANUARY 2016**
- The Chairman presented the minutes of the meeting held on 25th January 2016, which had been approved by full Council on 7th March 2016.
- RESOLVED** That the minutes of the meeting of the Committee held on 25th January 2016 be accepted as a correct record.
- MATTERS ARISING (Not on Agenda)**
- 1132/15/16** None.
- 1133/15/16 REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**
- The Treasurer explained that the Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. The internal audit for 2015/16 had been carried out by R F Miller & Co. The review comprised two aspects, meeting standards and characteristics of effectiveness. The Treasurer considered that the performance of R F Miller & Co was satisfactory in all respects. He asked Members to consider the review and the re-appointment of R F Miller & Co as internal auditors for 2016/17.
- Following consideration Councillor Bramham suggested that R F Miller & Co be re-appointed and this was agreed by all.
- RECOMMENDATION** That Council approves the review of the effectiveness of the internal audit in 2015/16
- RESOLVED** That R F Miller & Co be re-appointed as internal auditors for 2016/17.

1134/15/16**REVIEW OF THE SYSTEM OF INTERNAL CONTROL AND ANNUAL GOVERNANCE STATEMENT 2015/16**

Under the Accounts and Audit Regulations 2015 the Town Council must ensure it has a sound system of internal control which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives.
- Ensures that the financial and operational management of the authority is effective; and
- Includes effective arrangements for the management of risk.

Each financial year the Council must also conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS) in the format prescribed by the Annual Return, Section 1. The AGS must be approved before the Council approves the annual accounts.

The Treasurer considered that KTC had a good internal control framework which worked effectively. He asked Members to consider this and forward comments to full Council.

Members were satisfied with the internal control framework and AGS and agreed to take these forward to Council.

RECOMMENDATION

That Council approve the review of the effectiveness of the Council's system of internal control and the draft Annual Governance Statement 2015/16.

1135/15/16**FINANCE OUTTURN REPORT – YEAR ENDED 31ST MARCH 2016**

The Treasurer presented two reports on the Council's financial position as at 31st March 2016. The first provided figures showing actual income and expenditure against the original budget and the second reported on accountability and stewardship. He informed members that 'Favourable' in the last column on the 2015/16 Outturn Statement indicated an underspend against budget and 'Adverse' (shown in brackets) indicated an overspend against budget.

It was noted that there had been a large underspending of around £31,000. Principal reasons for an underspending on Management were savings on the Project Manager post (which had been budgeted for the full financial year when in fact the position was not taken up until the autumn) and reduced charges from SLDC for use of the Town Hall. Other significant underspendings highlighted were £4,868 by the Allotments Committee, £7,368 by the Kendal in Bloom Committee and £11,809 by the Christmas Lights and Festivals Committee. It had been agreed at full Council to carry forward the £7,368 saving by the Kendal in Bloom Committee for the purpose of improvement works to Shap Road. The underspend by the Christmas Lights and Festivals Committee would be carried forward to purchase new lights in 2016/17.

The Treasurer pointed out that the original budget assumed the General Fund Working Balance would be increased by £11,762. The balance was actually increased by £42,538, an additional £30,776. Of this sum, £7,368 would be carried forward for improvements at Shap Road and £11,809 for the purchase of new Christmas Lights.

In conclusion the Treasurer informed Members that there were healthy balances in reserves and said that the Council was in a sound financial position.

It was agreed to recommend to Council as presented.

RESOLVED That the Finance Outturn Report – Year Ended 31 March 2016, as presented, be accepted.

RECOMMENDATION That Council approves the Finance Outturn Report (Year Ended 31 March 2016) and the individual contributions to and from reserves.

1136/15/16 ANNUAL ACCOUNTS 2015/16

The Treasurer submitted for Members' consideration a report in respect of the Council's Annual Accounts 2015/16 for consideration prior to submission to Council. These included an Income and Expenditure Account (showing comparative figures for the 2014/15 financial year), Balance Sheet, Reserves Statement and the Annual Return (Section 2, Accounting Statements).

The Treasurer advised that the accounts had been examined by the internal auditors and a favourable verbal report had been received, although their written report was awaited.

Members were requested to review the draft Annual Accounts prior to submission to the Town Council at the next Full Council meeting on 9th May 2016. Members concluded that they were happy for the Treasurer to present the annual accounts to Council.

The Treasurer advised that these would be presented to Full Council for approval and signing by the Mayor and Town Clerk, for subsequent submission to the External Auditors.

RECOMMENDATION

1. That Council receives the report on the Annual Accounts 2015/16.
2. That Council approves the Annual Accounts for the Financial Year ended 31st March 2016, as presented, for submission to the External Auditors.
3. That Council authorises the Mayor, Town Clerk and Treasurer to sign and submit the Annual Return on behalf of the Town Council.

1137/15/16 AUDIT OF TOWN COUNCIL ASSETS

The Treasurer confirmed that the audit of the Town Council's Assets had been completed by Morag Clement, Kendal Museum

Archaeology Curator in March 2016. Thirty items had been selected and checked against the collection database (equating to just under 5% of the total collection). Three recommendations had been made by Morag Clement following the audit and the Treasurer advised that these would be implemented. He also confirmed that previous recommendations made following the audit in 2015 had been taken on board.

Members received the report and noted its contents.

RESOLVED

That the audit report on the Town Council's assets and its recommendations be accepted.

1138/15/16**GRANT APPLICATIONS**

The Treasurer informed Members that there was £1,769 available for general grants for 2016/17. He advised that one application had been received since the Committee's last meeting from Lakes Line Community Rail Partnership. The Partnership brings together local organisations and businesses to support and develop the railway between Oxenholme and Windermere. The original application was for a grant of £72 towards the cost of specialist software to manage its high season passenger surveys. The Partnership had subsequently revised their request to £150 based on a contribution of this size from each of the four Parish Councils along the route.

Members considered the application and agreed unanimously to award the grant in full.

RECOMMENDATION

That a grant of £150 be awarded to Lakes Line Community Rail Partnership.

1139/15/16**GRANTS CRITERIA**

At the previous meeting Members had reviewed the General Grants Criteria and considered possible amendments suggested by the Treasurer. The Treasurer had since implemented the changes discussed and presented a revised draft to the Committee for consideration. He pointed out that the criteria was also relevant to the Christmas Lights and Festivals Committee which administered festival grants.

The Treasurer said that grants are dealt with in Part 1 of the agenda which members of the public were free to attend. He considered that this ought to be made clear to organisations in the application form.

Members agreed unanimously to accept the draft criteria and for the Treasurer to forward this to the Christmas Lights and Festivals Committee.

RESOLVED

That the draft Grants Criteria be accepted. The Treasurer to forward the criteria to the Christmas Lights and Festivals Committee.

1140/15/16**CUMBERLAND BUILDING SOCIETY - INVESTMENTS**

The Treasurer advised that the authorised signatory details held by Cumberland Building Society were out of date. He requested Members to confirm the authorised signatories (to match those for the Barclays Current Account) as follows:

- J Brook
- G Cook
- S Emmott
- C Feeney-Johnson
- C Hogg
- A Robinson
- J Veevers.

This was agreed unanimously. The Treasurer said he would request Cumberland Building Society to update their records accordingly.

RECOMMENDED

That the Treasurer request Cumberland Building Society to update their records in accordance with the seven authorised signatories agreed by Members.

SCHOOLS OF SCIENCE AND ART CHARITY**1141/15/16****2015/16 Accounts**

The Treasurer presented the Receipts and Payments Account and Schedule of Assets for the Schools of Science and Art for the year ended 31st March 2016. It was noted that the opening balance at 1st April 2015 had been £15,773.02 with a closing balance on 31st March 2016 of £16,323.02. The Charity's income for the year was £550 (representing interest on its investments) while there had been no expenditure.

The Treasurer informed Members that in previous years the Charity made regular annual grants to Kendal College, Queen Katherine School and Kirkbie Kendal School of £50 each, resulting in £150 total expenditure. It was suggested that the Council should reinstate the practice of making these regular grants and this was agreed by Members.

Additionally, in October 2014, the Council had agreed to provide £1,000 to the Brewery Arts Centre in support of its bid to the Paul Hamlyn Foundation for funds to establish a Young Brewery Creative Council. The Brewery was yet to request the release of this money and it was agreed that the Treasurer would follow this up.

Members discussed the Charity's purpose which was the "promotion of education in Kendal". It had been the Committee's policy in the past to spend what would be earned in interest in the financial year. The Treasurer advised that, although the KTC website referred to the Charity, relatively few applications for assistance were received. He asked the Committee to look at some

form of promotion for education and it was agreed that an article be placed in the KTC newsletter advertising the grants.

Councillor Blackman informed Members that he was involved in an exchange programme between teachers from St Thomas' School and an orphanage village in Kenya. The project had previously been funded through the British Council however changes to the funding arrangements would see only the UK side of the partnership being funded in future. He asked whether this would be a suitable project for a grant. It was confirmed that it would and Councillor Blackman said he would encourage St Thomas' School to apply for a grant to fund the travel costs for the teachers from Kenya to the UK.

- RECOMMENDATION**
1. That Council approves the Annual Accounts for the Year Ended 31st March 2016 in respect of the Schools of Science and Art.
 2. That Council reinstates the regular annual grants of £50 each to Kendal College, Queen Katherine and Kirkbie Kendal School. Also to note the grant of £1,000 previously allocated to the Brewery Arts Centre.
 3. That Council agrees that the availability of the Charity's grants be referred to in the KTC newsletter.

1142/15/16

2016/17 Grant Applications

Members discussed two applications received which could be considered for assistance from the Charity as follows:

- Sasha Johnson and Elise Graham to attend the Edinburgh Fringe Festival as members of the Ludus Youth Dance Company. The application was for £150 each towards the cost (understood to be around £350 per individual).
- Kendal College animal care students and tutors to visit Kenya. The application was for a sum of money towards the cost of the trip which was £2,165 per person. Currently three students are expected to take part.

Councillor Severn proposed that the amount of £550 (being interest received on the Charity's investments in 2015/16) be used to fund grants of £125 to each of the dance students and £250 to Kendal College. This would leave £50 available. This was agreed unanimously.

The Treasurer confirmed that the grant to Kendal College would be awarded with a rider that should the trip to Kenya not proceed the grant would either not be made or monies to be reimbursed to KTC in full. He asked Members whether they required the applicants to report back to KTC once the trips had been completed. It was agreed that they should be requested to do so.

- RECOMMENDATION**
1. That a grant of £125 each be awarded to Sasha Johnson and Elise Graham to attend the Edinburgh fringe Festival as members of Ludus Dance Company.
 2. That a grant of £250 be awarded to Kendal College for animal

care students and tutors to visit Kenya.

1143/15/16 Authorised Signatories to Bank and Building Society Accounts

The Treasurer advised that a formal minute of the Council was required by both Barclays Bank and Cumberland Building Society to confirm the authorised officer signatories for the Charity's accounts. Members agreed that the Town Clerk and Town Treasurer are the Charity's authorised officials for financial transactions relating to its accounts with Barclays Bank and Cumberland Building Society.

RECOMMENDATION That Council confirms that the Town Clerk and Town Treasurer are the Charity's authorised officials for financial transactions relating to its accounts with Barclays Bank and Cumberland Building Society.

1144/15/16 ITEMS FOR THE NEWSLETTER

It had previously been agreed that an article would be placed in the newsletter advertising the availability of grants through the Schools of Science and Art Charity.

In relation to general grants, the Treasurer also suggested writing to a couple of organisations that had been awarded grants asking them what difference that grant had made to them. This feedback could then be published in the newsletter.

1145/15/16 ANY OTHER BUSINESS

None.

1146/15/16 DATE OF NEXT MEETING

Monday 25th July 2016 at 6.30pm.

The meeting closed at 7.52pm.

Summary of Information, Resolutions and Recommendations to Council

Min	Subject	Information/Resolution/Recommendation to Council	
1133	Review of the effectiveness of internal audit	REC RES	That Council approves the review of the effectiveness of the internal audit in 2015/16 That R F Miller & Co be re-appointed as internal auditors for 2016/17.
1134	Review of the system of internal control and Annual Governance Statement 2015/16	REC	That Council approve the review of the effectiveness of the Council's system of internal control and the draft Annual Governance Statement 2015/16.
1135	Finance Outturn Report – Year Ended 31 st March 2016	RES REC	That the Finance Outturn Report – Year Ended 31 March 2016, as presented, be accepted. That Council approves the Finance Outturn Report (Year Ended 31 March 2016) and the individual contributions to and from reserves.
1136	Annual Accounts 2015/16	REC	<ol style="list-style-type: none"> 1. That Council receives the report on the Annual Accounts 2015/16. 2. That Council approves the Annual Accounts for the Financial Year ended 31st March 2016, as presented, for submission to the External Auditors. 3. That Council authorises the Mayor, Town Clerk and Treasurer to sign and submit the Annual Return on behalf of the Town Council.
1137	Audit of Town Council assets	RES	That the audit report on the Town Council's assets and its recommendations be accepted.
1138	Grant Applications	REC	That a grant of £150 be awarded to Lakes Line Community Rail Partnership.
1139	Grants Criteria	RES	That the draft Grants Criteria be accepted. The Treasurer to forward the criteria to the Christmas Lights and Festivals Committee.
1140	Cumberland Building Society – Investments	REC	That the Treasurer request Cumberland Building Society to update their records in accordance with the seven authorised signatories agreed by Members.

1141	Schools of Science and Art Charity	REC	<ol style="list-style-type: none"> 1. That Council approves the Annual Accounts for the Year Ended 31st March 2016 in respect of the Schools of Science and Art. 2. That Council reinstates the regular annual grants of £50 each to Kendal College, Queen Katherine and Kirkbie Kendal School. Also to note the grant of £1,000 previously allocated to the Brewery Arts Centre. 3. That Council agrees that the availability of the Charity's grants be referred to in the KTC newsletter.
1142	2016/17 Grant Applications	REC	<ol style="list-style-type: none"> 1. That a grant of £125 each be awarded to Sasha Johnson and Elise Graham to attend the Edinburgh fringe Festival as members of Ludus Dance Company. 2. That a grant of £250 be awarded to Kendal College for animal care students and tutors to visit Kenya.
1143	Authorised signatories to bank and building society accounts	REC	That Council confirms that the Town Clerk and Town Treasurer are the Charity's authorised officials for financial transactions relating to its accounts with Barclays Bank and Cumberland Building Society.