

# KENDAL TOWN COUNCIL

## Audit, Grants and Charities Committee

**Thursday 27<sup>th</sup> April 2017 at 7.00 pm  
in The Mayor's Parlour, Town Hall, Kendal**

- PRESENT** Councillors Rachael Hogg (Vice Chair), Paul Bramham, Geoff Cook and Guy Tirvengadam
- APOLOGIES** Councillor Andy Blackman
- OFFICERS** Jack Jones (Town Treasurer) and Hazel Belshaw (Temporary Council Secretary)
- 1110/16/17 PUBLIC PARTICIPATION**  
None
- 1111/16/17 DECLARATIONS OF INTEREST**  
Councillor Tirvengadam - Agenda item 10, grant application from South Lakeland Equality & Diversity Partnership.
- 1112/16/17 MINUTES OF THE MEETING HELD ON 30<sup>TH</sup> JANUARY 2017**  
  
The Chairman presented the minutes of the meeting held on 30<sup>th</sup> January, which had been approved by full Council on 6<sup>th</sup> March.  
  
Councillor Bramham proposed that the minutes be accepted as a correct record. This was seconded by Councillor Cook and carried unanimously.
- RESOLVED** That the minutes of the meeting of the Committee held on 30 January 2017 be accepted as a correct record.
- MATTERS ARISING** (Not on Agenda)  
None
- 1113/16/17 AUDIT OF TOWN COUNCIL HERITAGE 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 2017.  
  
He highlighted one new recommendation with regards to removing badges and medals from the binder and storing them individually. He also referred to some of the missing items and advised that once the full condition survey is completed they may be found. Members then had a discussion regarding security.  
  
Councillor Cook suggested a further look in detail when the condition survey is complete.
- RESOLVED** The audit report be referred to the Mayoralty & Arts Committee and this Committee to review the list once the full condition survey had been completed.

**1114/16/17****REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT**

The Treasurer explained that the Accounts and Audit Regulations 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 2016/17 had been carried out by R F Miller & Co. The review of the internal audit service 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 2017/18.

Councillor R Hogg proposed the review be approved and forwarded to full Council and that RF Miller & Co be re-appointed for 2017/18 and this was seconded by Councillor Braham and carried unanimously.

**RECOMMENDATION**

That Council approves the review of the effectiveness of its internal audit arrangements in 2016/17.

**RESOLVED**

That RF Miller and Co be re-appointed as internal auditors for 2017/18.

**1115/16/17****ANNUAL REVIEW OF THE SYSTEM OF INTERNAL CONTROL AND ANNUAL GOVERNANCE STATEMENT 2016/17**

The Treasurer presented the Annual Review of the System of Internal Control and Annual Governance Statement 2016/17.

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 highlighted the following points:

**Review of Effectiveness**

The Council has improved its internal controls in the past year, by undertaking a major review of its Standing Orders and Financial Regulations, which now reflect the latest best practice, revising internal financial procedures, risk assessments and its Reserves and Investment Policies.

**CALC Publication**

A new edition has been published for 2017/18 financial year, and can also be adopted for 2016/17. A copy of the publication is available on the Council's website.

### **Equality & Diversity Training**

Although the Council's approach to staff is included in the employment policies, the Council's Equality and Diversity Policy has not been clearly stated. A draft policy statement was presented to Members for adoption by the Council.

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 review of the internal control framework and the AGS and agreed to take these forward to Council.

**RECOMMENDATION** That Council adopt the CALC guidance and Equality and Diversity Policy and approve the review of the effectiveness of the Council's system of internal control and the draft Annual Governance Statement 2016/17.

**1116/16/17** **FINANCE OUTTURN REPORT – YEAR END 31<sup>ST</sup> MARCH 2017**  
The Treasurer presented two reports on the Council's financial position as at 31<sup>st</sup> March 2017. The first provided figures showing actual income and expenditure against the original budget and the second reported on the 2016/17 Annual Accounts, and the accompanying statements.

The first report confirms that net expenditure for 2016/17 was contained within budget. Previous quarterly reports had suggested large underspendings for their respective periods; however expenditure had increased in the final quarter and the small net underspending for the year of £7,676 has been retained in accumulated reserves, which remain at a healthy total level, currently £276,907.

In summary the Council has contained expenditure against budget and is in a good sound position.

It was agreed to recommend to Council as presented.

**RESOLVED** That the Finance Outturn Report – Year Ended 31 March 2017, as presented, be accepted.

**RECOMMENDATION** That Council approves the Finance Outturn Report (Year Ended 31 March 2017) and the individual contributions to and from reserves.

**1117/16/17** **ANNUAL ACCOUNTS 2016/17**  
The Treasurer submitted for Members' consideration a report in respect of the Council's Annual Accounts 2016/17 for consideration prior to submission to Council. These included an Income and Expenditure Account (showing comparative figures for the 2015/16

financial year), Balance Sheet, Reserves Statement and the Annual Return (Section 2, Accounting Statements).

He highlighted several variations between the 2016/17 figures and those for the previous year; these included £34,600 income from the rise in Council Tax which funded additional expenditure.

Members were requested to review the draft Annual Accounts prior to submission to the Town Council. 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 on 8 May 2017 for approval and signing by the Mayor and Town Clerk, for subsequent submission to the External Auditors.

- RECOMMENDATION**
1. That Council receives the report, together with the satisfactory opinion of the Audit, Grants and Charities Committee
  2. That Council approves the Annual Accounts and Accounting Statements 2016/17 (Section 2 of the Annual Return)
  3. That Council authorises the Mayor to sign the Annual Return on its behalf prior to its submission by the Treasurer to the External Auditor

### **GENERAL GRANT APPLICATIONS 2017/18**

**1118/16/17**

#### **Dignity in Dementia**

This application was reviewed at the last meeting (ref minute 831/16/17) when Members asked for more information. The Chair of the Kendal Dementia Action Alliance had come back to the Committee with some positive comments. The Members discussed the grant application and it was still felt that more information was needed.

**RESOLVED**

Councillor R Hogg to seek more information and email Committee Members.

**1119/16/17**

#### **Cumbria Children's Dyslexia Project**

The project is to buy screening software which will routinely screen all primary school children for dyslexia, the cost is £125 per small school. The application was reviewed by Members. It was proposed by a majority to award the requested grant for each of Kendal's seven Primary Schools.

**RECOMMENDATION**

That a grant of £875 be awarded on the understanding that the money definitely goes to Kendal's 7 Primary School with evidence of take-up before payment.

**1120/16/17**

#### **Kendal Rugby Union Football Club (KRUF)**

KRUF has applied for a grant of £5,000 towards the estimated £664,200 cost of developing a Community Sports Hub on the Club's new site, providing accommodation for nine local sports clubs. The application was reviewed by Members who were in support of the application although it would use a large portion of the remaining grants budget. It was advised by the Treasurer that,

subject to review, there may be scope to look at using monies from the Development Fund.

**RECOMMENDATION** That the Treasurer advise full Council on 5 June 2017 whether there are sufficient monies in the Development Fund to enable a grant to be made to the Rugby Club.

**1121/16/17**

**South Lakeland Equality & Diversity Partnership (SLEDP)**

The Partnership has applied for a grant of £100 to fund room hire for an event during Interfaith Week in November 2017. The application was discussed and supported by Members.

**RECOMMENDATION** That a grant of £100 be awarded.

**1122/16/17**

**GENERAL GRANTS CRITERIA & MULTI-YEAR FUNDING AGREEMENTS**

The Treasurer presented the General Grants Criteria and suggestions for dealing with Multi-year Funding Agreements and highlighted the following points:

**General Grants Criteria 2018/19**

No changes had been made, except the title.

**Multi-Year Funding**

The Treasurer highlighted the agreement with Kendal Brewery Arts Centre. A longer term agreement (2 years) was agreed at Council. With this in mind, the Committee was asked to consider what conditions, if any, should be attached to the grant.

Councillor Hogg highlighted that the Brewery is a major part of the town and deserved the security of ongoing support.

The Treasurer also reported that Council had requested the Committee to look at the issues around agreeing longer term agreements for other appropriate organisations.

There was a discussion around the principle of making long term decisions that may commit a future Council with a potentially different composition. The Treasurer suggested synchronising any agreement with the duration of the present Council. After considerable debate, Members could not agree on whether to introduce multi-year funding.

Councillor R Hogg suggested some more thought by Members was advisable and proposed that the issue be discussed again at the next meeting.

The Treasurer asked Members to approve the suggestions for the two year agreement with The Brewery Arts Centre that had been previously circulated. These were agreed by Members.

Councillor Bramham raised the point of seeking information from organisations of how the grants are spent; this is part of the 2017/18 criteria for grants over £2,000 and feedback would be sought later in this financial year.

**RESOLVED**

1. That the criteria for the award of single-year General Grants for 2018/19 be agreed;
2. That the criteria be forwarded to the Christmas Lights & Festivals Committee for its consideration;
3. That the criteria suggested in the report apply to the two-year funding arrangement already agreed for the Brewery Arts Centre; and
4. To reconsider the concept of multi-year funding agreements at the Committee's next meeting.

**1123/16/17****CUMBERLAND BUILDING SOCIETY INVESTMENT**

The Treasurer reminded Members that the Council has £200,000 invested with the Cumberland Building Society on a 3 months' notice period. Cash flow has recently caused some concern as the first half of the year's expenditure is likely to exceed the precept income for the period, particularly if Development Fund projects progress promptly. He recommended that the Council gives notice to the Cumberland to withdraw up to £100,000 so it will be available in August. He will be seeking approval to this proposal from full Council on 8 May 2017.

The Committee are happy to recommend this.

**RECOMMENDATION**

The Treasurer to seek approval from Council to give notice of the withdrawal of up to £100,000 from the Cumberland Building Society.

**1124/16/17****SCHOOLS OF SCIENCE & ART CHARITY**

The Treasurer presented the Charity's summarised Receipts and Payments Accounts for the year ended 31<sup>st</sup> March 2017.

The Charity's income for the year was £420, representing interest on its investments, while there was £1,150 expenditure on grants. The Charity closed the year with accumulated funds of £15,593, of which £8,992 is invested on a long term basis.

The Treasurer highlighted that the Council had restarted regular payments of £50 each to Kendal College, Kirkbie Kendal School and Queen Katherine School and asked Members to approve this for 2017/18.

A request from Lauren Pender for funding towards a two year Gap Medics overseas placement to obtain midwifery work experience, which had been previously circulated to Members, was discussed. The Committee approved a grant of £250 and asked if there was a possibility of coverage in the Westmorland Gazette and a mention in the Newsletter.

**RECOMMENDATION**

That Council:

1. approve the Charity's Accounts for 2016/17;
2. approve the payment of the three regular annual prize grants for 2017/18; and

3. Award a grant of £250 to Lauren Pender towards the cost of her Gap Medics midwifery work experience placement.

**1125/16/17**

**ANY OTHER BUSINESS**

None

**1126/16/17**

**DATE OF NEXT MEETING**

31<sup>st</sup> July 2017

The meeting closed at 9.02pm.

**Summary of Information, Resolutions and Recommendations to Council**

<b>Min</b>	<b>Subject</b>	<b>Information/Resolution/Recommendation to Council</b>	
<b>1113/16/17</b>	Audit of Town Council Heritage Assets	<b>RES</b>	The audit report be referred to the Mayoralty & Arts Committee and this Committee to review the list once the full condition survey had been completed.
<b>1114/16/17</b>	Review of Effectiveness of Internal Audit	<b>REC</b>	That Council approves the review of the effectiveness of its internal audit arrangements in 2016/17.
		<b>RES</b>	That RF Miller and Co be re-appointed as internal auditors for 2017/18.
<b>1115/16/17</b>	Annual Review of the System of Internal Control and Annual Governance Statement 2016/17	<b>REC</b>	That Council adopt the CALC guidance and Equality and Diversity Policy and approve the review of the effectiveness of the Council's system of internal control and the draft Annual Governance Statement 2016/17.
<b>1116/16/17</b>	Finance Outturn Report – Year end 31 <sup>st</sup> March 2017	<b>RES</b>	That the Finance Outturn Report – Year Ended 31 March 2017, as presented, be accepted.
		<b>REC</b>	That Council approves the Finance Outturn Report (Year Ended 31 March 2017) and the individual contributions to and from reserves.
<b>1117/16/17</b>	Annual Accounts	<b>REC</b>	<ol style="list-style-type: none"> <li>1. That Council receives the report, together with the satisfactory opinion of the Audit, Grants and Charities Committee</li> <li>2. That Council approves the Annual Accounts and Accounting Statements 2016/17 (Section 2 of the Annual Return)</li> <li>3. That Council authorises the Mayor to sign the Annual Return on its behalf prior to its submission by the Treasurer to the External Auditor</li> </ol>
<b>1118/16/17</b>	Grant Applications: Dignity in Dementia	<b>RES</b>	Councillor R Hogg to seek more information and email Committee Members.
<b>1119/16/17</b>	Grant Applications: Cumbria Children's Dyslexia Project	<b>REC</b>	That a grant of £875 be awarded on the understanding that the money definitely goes to Kendal's 7 Primary

			School with evidence of take-up before payment.
<b>1120/16/17</b>	Grant Applications: Kendal Rugby Union Football Club	<b>REC</b>	That the Treasurer advise full Council on 5 June 2017 whether there are sufficient monies in the Development Fund to enable a grant to be made to the Rugby Club.
<b>1121/16/17</b>	Grant Applications: South Lakeland Equality and Diversity Partnership	<b>REC</b>	That a grant of £100 be awarded.
<b>1122/16/17</b>	General Grants Criteria & Multi-Year Funding Agreements	<b>RES</b>	<ol style="list-style-type: none"> <li>1. That the criteria for the award of single-year General Grants for 2018/19 be agreed;</li> <li>2. That the criteria be forwarded to the Christmas Lights &amp; Festivals Committee for its consideration;</li> <li>3. That the criteria suggested in the report apply to the two-year funding arrangement already agreed for the Brewery Arts Centre; and</li> <li>4. To reconsider the concept of multi-year funding agreements at the Committee's next meeting.</li> </ol>
<b>1123/16/17</b>	Cumberland Building Society Investment	<b>REC</b>	The Treasurer to seek approval from Council to give notice of the withdrawal of up to £100,000 from the Cumberland Building Society.
<b>1124/16/17</b>	School of Science & Art Charity	<b>REC</b>	That Council: <ol style="list-style-type: none"> <li>1. approve the Charity's Accounts for 2016/17;</li> <li>2. approve the payment of the three regular annual prize grants for 2017/18; and</li> <li>3. Award a grant of £250 to Lauren Pender towards the cost of her Gap Medics midwifery work experience placement.</li> </ol>