

Kendal Town Council

Town Hall, Highgate, Kendal LA9 4ED
www.kendaltowncouncil.gov.uk



Minutes of a meeting of the Audit, Grants and Charities Committee on Monday, 20 March 2023, at 7.45p.m. in the Council Chamber at the Town Hall, Highgate, Kendal.

Cllr S Coleman	Apologies	Cllr J Dunlop (Chair)	Present
Cllr L Edwards	Present	Cllr D Evans	Present
Cllr M Helme	Apologies	Cllr T Perkins	Absent
Cllr D Rathbone (Vice-Chair)	Present	Cllr C Russell	Present

In attendance: Chris Bagshaw (Town Clerk)

AGC31/2022 Apologies

Apologies for absence were received and accepted from Cllrs S Coleman and M Helme.

AGC32/2022 Declarations of Interest

No declarations of interest were raised under this item.

AGC33/2022 Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

No issues were considered for exclusion.

AGC34/2022 Minutes of the Last Meetings

Further to Minute No.AGC24/2022, Members were again asked to receive and accept the minutes of the meeting of the Audit, Grants and Charities Committee, in addition to those of the last meeting held on 19 December 2022. The Clerk reported that he had met with Cllr Evans and they had agreed to propose some wording which they felt which better described the resolutions agreed in Minutes AGC15 and AGC16/2022.

Resolved: That additional wording be added to Minutes AGC15 and 16/2022, and the electronic record be amended accordingly. On this basis the Committee received and accepted the minutes of the meetings of the Audit, Grants and Charities Committee held on 13 October and 19 December 2022.

AGC35/2022 Minute Action Sheet

Members considered a report on actions taken by officers on resolutions or recommendations made at previous meetings. The Clerk reported that it was understood that the second air ambulance service would not be submitting an application before 1 April. It was noted that the process of earmarking commitments needed to be more transparent and robust, so that the Committee could identify which parts of their available budget were already committed through previous applications.

Resolved: To note the report.

AGC36/2022 Audit Grants and Charities Overview of Policies and Actions

The Town Clerk provided a verbal update on issues relating to the Council's audit procedures and policies. He explained that it was clear from the council's working over the previous two years, as it emerged from the turbulence of both Covid and the renovation of the Town Hall that there were several areas in which it needed to tighten up its performance. The recent debates surrounding the setting of the 23-24 budget resulted in the Chair of this committee undertaking a consultation with elected Members and Officers, and reporting to Management, restating the necessary timetable and format for budget-setting, served to emphasise the point. It was observed that the grant making policies of the Council reflected its wider policy aims, and were a visible expression of the Council's imperative to work in partnership with local organisations to deliver important outcomes for the people of Kendal.

Resolved: To note the report and to bring the attention of the full council to the necessary timetable for financial planning and monitoring.

AGC37/2022 2022/23 Budget Monitoring

The Committee considered a report on the Council's budget and expenditure as at February 2023. The Clerk drew the Committee's attention to the timing of the meeting, which now appeared out of sync with the Council's financial cycle. Ideally the meeting would be either reviewing the Council's year end statement next month, or the end of the third quarter (31 Dec). However, he confirmed that the Rialtas finance system was reporting transparently and accurately the transactions of the Council and its budgets in a manner that was unavailable before its introduction in the current financial year. He reported that the Council's various outturn predictions had been heavily debated in the process running up to the setting of the budget in the previous month, and there were no other issues he wished to draw to their attention presently.

The Committee welcomed the clarity of the report and drew attention to the need to ensure that all Councillors are familiar with the basic processes involved in budgeting and budget control.

Resolved: To note the report, and consider how familiarising Councillors with the Council's financial management processes might be best achieved.

AGC38/2022 Grants Funding

The Committee was presented with details in relation to the current grants budget.

Members then gave consideration to the following four grant applications in the light of the current grants budget:-

- (a) Carer Support South Lakes for a contribution of £4,000 towards rent for new premises.

The Committee observed that the grant was applied for the day-to-day running costs of the organisation, and that this did not usually qualify as the appropriate use of the Council's finance. In turning down the application for grant funding the Committee did not preclude the organisation from coming back to the Council with a grant application for an activity which did comply with the criteria.

Grant offered - £0

(b) Fairoak Housing Association for a contribution of £500 towards the cost of running a variety of activities to engage tenants in Kendal and provide much-needed structure to allow them to meet their contemporaries while learning new skills and developing social skills in a relaxed and friendly environment.

Grant offered - £500

(c) Growing Well for a contribution of £500 towards the ongoing costs of the organisation's core horticultural materials such as seeds, growing media, soils, composts, potting trays, etc.

Although the grant appeared to be for 'core' tasks, the Committee agreed that the output was represented a tangible investment, and could just as well be a project or an In Bloom grant.

Grant offered - £500

(d) Kendal College for a contribution of £1,500 towards an Amazon Wildlife and Ecology Field Trip.

The Committee noted that this application was for payment to a third party, and was also outwith the scope of the Community Grant scheme. Subject to alterations to the recipient, they felt it would be better suited to being an application to the School of Science and Art charity, which the Committee noted would meet on the rising of the next full council meeting.

Grant offered - £0

Resolved: To offer the grants listed above, or to engage with applicants where a grant was not to be offered at this time.

Resolved: To arrange a meeting of the Trustee body of the School of Science and art at the rising of the next meeting of the full Council.

AGC39/2022 Financial Regulations

Further to AGC28/2022 when the Committee held over reviewing the draft proposals, the Town Clerk reported on the progress made towards updating the Council's Financial Regulations, which were attached to the agenda.

The Committee reviewed the Clerk's amendments to the Model Financial Regulations, and noted their origins with NALC, and the Council's previous decision to begin the review process from the latest model.

Resolved: To submit the proposed new Regulations in the form of a report to the Full Council.

AGC40/2022 Internal Audit

The Town Clerk presented a report and specification for the role of the Internal Auditor. The report explained that internal audit reports had to be made available to support and inform Members in considering the Authority's approval of the Annual Governance Statement.

The Council currently engaged RFM of Ulverston as Internal Auditors, but following review in 2022, had agreed to respecify the role to ensure it was continuing to meet the Council's requirements. The report referred to the Practitioners' Guide which included detailed guidance for appointing an internal auditor. The two key principles were independence and competence. There was no requirement for a person providing the internal audit role to be professionally qualified, however, there were a number of essential competencies to be sought from any internal audit service, details of which were provided.

The Town Clerk suggested that the Committee may decide that the timetable for audit was tight for the appointment of a new internal auditor in 2023. However, at the very least, he suggested that a new letter of engagement should be prepared for the existing Internal Auditor, along with a timetable for appointment in good time for 2024.

Resolved: To prepare a new letter of engagement for the existing internal auditor for 2022-23, and to prepare for a revised appointment process in a timely manner in the new financial year.

AGC41/2022 External Audit

The Town Clerk presented the timetable for the Council's External Audit (AGAR) which had been set out by Moore for auditing councils like Kendal Town. The timetable would result in, before 1 October 2023, the authority publishing a notice of the conclusion of the audit, the Annual Governance Statement (including any amendments as a result of the limited assurance review), the Accounting Statements (also including any amendments as a result of the limited assurance review) and the External Auditor Report and Certificate.

Resolved: To note the timetable for the Council's AGAR.

AGC42/2022 Risk Assessment

The Council's audit and governance regime required that it reviewed its risk management procedures on a yearly basis and, to this end, the Town Clerk presented a report on the Council's Risk Management policies. The report provided a matrix which had been developed by the Joint Practitioners Advisory Group (JPAG). Rather than overwhelm councillors with the minutiae of individual process-based risk assessments, it took a much broader view of the concept of risk, and challenged the Council to demonstrate that it was identifying and mitigating risk through its policies and procedures. It included a list of areas where the Council was assisted in this challenge by its internal auditor. In this context, the internal auditor played the vital role of a critical friend.

The report demonstrated areas where the Council used insurance to help it manage risks, areas where the Council could work with others to manage risk and areas where risk could be self-managed by the Council.

Resolved: To accept the report and commend it to the Full Council.

The meeting closed at 9.20 p.m.