



### **Minutes of Finance and Governance Committee Meeting of Morecambe Town Council held at Morecambe Town Hall at 6.30pm on the twenty-fifth day of July 2024**

**Present:** Cllr J Ainscough, Cllr M Bottoms, Cllr L Bradbury, Cllr B Cooper, Cllr J Goodrich, Cllr C Kent, Cllr G Knight, Cllr J Pilling

**In attendance:** Mr Luke Trevaskis (Proper Officer), Mr Joel Turner (Finance Officer) and Peter Fisher (Communications Officer)

**Press:** None in attendance

**Public:** None

#### **FG2024/25 - 11 – Apologies**

Received from Cllr D Whitaker.

#### **FG2024/25 - 12 – Declarations of Interests**

Cllrs J Ainscough, D Bottoms and B Cooper declared an interest as a Councillor of Lancaster City Council

#### **FG2024/25 - 13 – Minutes of previous meeting**

The minutes of the last Finance Committee meeting were approved and signed by the Committee Chairman Cllr B Cooper.

#### **FG2024/25 - 14 – Public participation**

None

#### **FG2024/25 - 15 – Quarter 1 Finances**

The Committee was asked to consider and approve the Quarter 1 financial summary report for 2024/25. After a thorough and detailed explanation by Finance Officer, Mr Joel Turner consisting of a line-by-line breakdown of current state of play this was approved as a true reflection and signed by Committee Chairman Cllr B Cooper.

#### **FG2024/25 - 16 – Payment Testing**

In order to comply with its Terms of Reference, the Finance Committee must satisfy itself that it is monitoring the Council's overall compliance with its Finance Regulations to ensure the sound and open governance of financial matters and actions taken in the name of the Council. In line with this ongoing scrutiny, officers invited two members to undertake sample testing for Q1 payments - checking bank details on invoices correspond to processed payments and ensuring that all transactions have followed the correct authorisation process for approval by full council or a duly delegated officer or committee. The payment numbers provided were: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20. Cllrs J Pilling and J Livermore have been involved in the payment testing process and are satisfied that the current procedures adhere to financial

regulations. Other members of the committee were encouraged to undertake payment testing samples should they wish to.

### **FG2024/25 - 17 – Payments exceeding £500.00**

In order to comply with the Transparency Code, the Council is required to publish a list of payments exceeding £500.00 no less than quarterly. The Committee approved the list presented as a true reflection of Quarter 1 payments over £500.00. The committee discussed the payments to Weightmans LLP which were in relation to 21/22 audit costs and voiced concern that the Council had incurred excessive fees due to ongoing challenges raised by a resident. Members noted that engaging legal advice helps safeguard the Council and agreed the legal expenses would not have been necessary had it not been for the baseless accusations and ongoing actions taken by a resident. Members warned that should further legal action be required to protect the council and/or officers from continued harassment, the costs to the Morecambe taxpayer may continue to grow.

This list has been published on the Morecambe Town Council website.

### **FG2024/25 - 18 – Asset register update**

The committee resolved to accept the new asset register figure of £167,930.53 as of the end of quarter 1 (2024/25) after VAT addition explanation. For context, previous years figures included some elements of VAT (Value Added Tax) in error when transferring information from invoices to the register itself. This has been rectified and naturally resulted in a lower asset register value.

### **FG2024/25 - 19 – Investment**

The Committee reviewed a Treasury Management Report and resolved for officers to facilitate the following actions:

- To invite CCLA to deliver a presentation to members of the Finance and Governance Committee and deposit an initial sum of £550,000 in the Public Sector Deposit Fund (a sum equivalent to approximately fifty percent of annual expenditure that the Council must hold as required by its General Reserves Policy) for a minimum term of 12 months.
- To place further sums in shorter term deposit funds with Unity Trust Bank ensuring there is always access remaining in the current account to at least 25% of annual expenditure, with remaining funds deposited in amounts ranging from a 30-day term, to a six-month term.

It is hoped that good treasury management will produce a return on the Council's reserves and assist in stabilising future precept requests, allowing reductions where possible.

This decision will be implemented once ratified by Full Council, by way of an amendment to the Terms of Reference of this Committee.

### **FG2024/25 - 20 – Budget Survey**

The committee noted that the budget survey would be presented at a forthcoming meeting and would focus on clarifying feedback regarding current service delivery.

### **FG2024/25 - 21 – External Audit Response to 22/23 Objections**

Members noted the invoice received from PKF Littlejohn for the investigation carried out following the challenges raised by a resident to the Council's FY2223 accounts.

Members reviewed the Decision Letter from PKF Littlejohn.

Of the 36 objections submitted by Safia Kauser, of Internal Audit Yorkshire, on behalf of a local resident, PKF Littlejohn investigated 16. Of these, 12 were not upheld, 3 were partially upheld, and 1 was upheld. Below is a summary of the findings:

- **Objections 1+2:** Partially upheld due to a budget of £5K for the 'Green Corridor' being reassigned from the PO to the Environment Committee, and the 'Outdoor Gym' budget being removed from their revised budget. This was likely partially upheld due to insufficient minute references and explanations for budget virements. *Note that no funds left the accounts; the Green Corridor fund was repurposed into the new 'Public Realm' budget due to changing priorities.*
- **Objection 13:** Upheld because the Amazon account remained in the name of a former employee. The Council must periodically check Amazon purchases to ensure proper authorisation. *Note that Councillors now conduct periodic asset checks reported to the F&G Committee.*
- **Objection 29:** Partially upheld as the External Auditor recommends the Council consider a 3-year budget forecast. *Note that the Council has committed to this through its LGA Review and various meetings over the past year.*

Members reviewed the full report and noted it is now online.

Members noted, as with the Internal Audit Report, there were no findings of corruption or fraud. PKF Littlejohn has decided not to issue a public interest report or apply for a declaration under Section 28 (an application for a court ruling that an item of the Council's accounts is unlawful).

Although this has been a lengthy process, members noted it has been validating to confirm that the Council has not acted unlawfully. All matters simply reference more consideration be given to the Council's Financial Regulations, which we have been striving to achieve since officer resources increased.

The committee noted the response and that the cost to the taxpayer because of these objections was £13,310.40.