

# Axminster Town Council

Office Hours  
Monday, Wednesday, Thursday  
10am – 12 noon

Mayor: Cllr Jill Farrow  
Town Clerk: Paul Hayward

[www.axminstertowncouncil.gov.uk](http://www.axminstertowncouncil.gov.uk)



THE GUILDHALL  
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## Axminster Town Council:

### Minutes of the meeting of the Strategy & Finance Committee

**DRAFT MINUTES – YET TO BE APPROVED; Part ONE Minutes (Redacted)**

**Held in person on Monday 19<sup>th</sup> February 2024. Meeting started at 7.30 p.m.**

Present: Cllrs. Farrow (JF) (Chair), Leat (SL), and Walden (JW).

*(Meeting was declared as quorate).*

Also present:

Cllr. Hurren (WH)

Town Clerk, Paul Hayward.

No members of the public in attendance.

*Chair welcomed all in attendance and ran through meeting procedure and protocol.*

*Chair highlighted the building fire precautions and alerted those present to the fire exits.*

#### **Public Forum session.**

No public representations.

No members of the committee wished to speak in public forum.

As such, Chair closed the Public Forum session at 7.35pm

#### **SF24/001**

**To note members of committee present:**

Attendance at meeting shown above.

#### **SF24/002**

**To note and, if thought fit, to approve apologies for absence and reasons therefore:**

Apologies received from:

Cllr. Bourne (ABo.) due to a conflicting engagement

Cllr. Brooker (ABr.) due to a work commitment

Cllr. Burrough (KB) due to a personal matter.

Cllr. Willey (DW) due to work commitments.

**Absence and reasons for absence approved by Chair, seconded by JW. Resolved.**

*Continued overleaf.*

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Chair welcomed WH to the meeting as a non-committee member.

Chair also suggested that the matter of committee memberships be raised at the FULL Council meeting on 11/3 given the quorum this evening and further suggested that the membership of this key committee may have to be raised to 10 councillors to ensure quorum in the future.

## **SF24/003**

**To note members of committee not otherwise present and to receive any other apologies for absence:**

None – all committee members accounted for as above.

## **SF24/004**

**To receive any declarations of interest from members of the committee in relation to items of business on this agenda and to note any dispensations previously afforded:**

*A declaration at this point does not preclude the need for members to declare any additional interests that may arise during this meeting.*

No declarations of interest put forward by members.

## **SF24/005**

**To consider and, if thought fit, to approve the minutes of the S&FComm. meeting held on 18<sup>th</sup> December 2023 and to consider any matters arising from those minutes:**

*Approval of minutes proposed by Chair, seconded by JW. Resolved unanimously.*

***Matters arising:***

*None raised by committee members.*

## **SF24/006**

**To consider any matters listed on this agenda that Councillors consider should be dealt with as confidential business as per the provisions of The Public Bodies (Admission to meetings) Act 1960:**

None raised by committee members other than to note those items already listed on this agenda (SF24/014 to 017 inclusive).

*Continued overleaf.*

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## Strategy & Finance Business to be considered:

### SF24/007

**To consider first draft of FY23-24-25 Council risk management & assessment (RMA) review and to make revisions and amendments prior to final completion by RFO.**

RFO presented their initial report and confirmed that the finalised RMA would be brought back to committee in April for review pending committee approval.

*Clerk/RFO asked for committee's agreement to a recommendation that the Town Council's annual Risk Management Assessment should be undertaken in July and August each year (rather than in the first 3 months of the year) as this was a quieter period for the Council with less meetings (and thus more time for the RFO to complete the necessary work to prepare, collate and present the RMA. Chair of committee felt that idea to be worthwhile and members agreed unanimously. RFO: please note and integrate that decision into Council's workplan accordingly and add to S&FComm. agenda at the appropriate time for review and approval.*

### SF24/008

**To consider the response from PKF Littlejohn LLP (external auditor) to Council's recent correspondence regarding FY22-23 AGAR assurance and audit; to review document and to make recommendations to FULL Council to enable FY23-24 AGAR submission to proceed.**

Members of committee considered the response from PKF Littlejohn LLP (the Council's external auditors) received in reply to the Town Council's letter of complaint of October 2023 which related to the FY22-23 External Audit process and outcomes.

Members of committee asked that the minutes of this meeting record their unhappiness with the PKF response and the apparent disdain in which the external auditor has treated this authority. The RFO updated members as to the FY23-24 AGAR progress in conjunction with the internal auditor (see below). Noted.

*It was subsequently proposed by JW, seconded by SL, that the Town Council should escalate its complaint to the SAAA (Smaller Authority Audit Appointments) Commission as per the established complaints protocol, providing a copy of the Town Council's initial letter of complaint and the PKF response. Resolved unanimously.*

RFO: Please draft a letter of complaint accordingly for the Chair of Committee's signature.

*WH asked that new members of a committee (or new Councillors joining the Council) receive a copy of the previous committee briefing report so that they can be aware of any background to current agenda items, thus facilitating an easier transition into their new committee roles. Chair felt that this was a laudable suggestion and asked the Clerk to action accordingly. Noted*

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## SF24/009

**To consider the report from ST Accounting received as part of their FY23-24 Internal Audit work (interim audit) and to note recommendations/observations; to decide what actions the committee will take forward as a consequence of that interim review prior to FULL internal audit in May 2024.**

Members of committee considered the 11 recommendations from the report received following the Internal Auditor's interim meeting with the RFO (held in December 2023) and made the following observations/recommendations as a result:

- 1) Noted and confirmed that Council now operated a more robust process for the documenting and storage of quotes and tenders. Acknowledged that the Town Council operated a procurement policy of buying locally where it was possible (*reason: to bolster and support the local economy*) but recognising that there was always an obligation to provide best value for the taxpayer which sometimes might make the "buy local" policy financial disadvantageous. Members felt that the delegated authority afforded to the RFO in line with Council policy was sufficiently robust and monitorable as to not create any significant risk to the authority.
- 2) Noted and confirmed that purchasing limit discrepancies (in wording terms) between the approved Standing Orders and Financial regulations had been corrected and aligned.
- 3) Noted and confirmed that an updated process for invoice "pre-verification" prior to payment processing and authorisation had been successfully implemented within the Council's accounting process.
- 4) Noted and confirmed that VAT was to be recovered at least quarterly by RFO (via VAT126 scheme) and more frequently if sums recoverable were significant and justified a more frequent recovery.
- 5) Noted the recommendations regarding potential risks of debit card spending, and approved the application for an additional UTB Multi-Pay card with a spending limit commensurate with current spending patterns for use by the RFO. **Proposed by Chair, seconded by SL. Resolved unanimously.**
- 6) Noted and confirmed that bank reconciliations were now completed monthly and verified and signed by independent Councillors ie non-bank signatories on a rota basis (so that the duty does not fall on the same Councillor each time).

Furthermore, committee members noted the recommendation from STA that balance confirmation letters be sought from those financial institutions providing banking services to the Council but felt that this was not achievable given current bank policy in that regard and that the existing process in place was sufficiently robust to minimise the potential risks highlighted by the IA to the satisfaction of the external auditor and the general public.

*Continued overleaf.*

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## SF24/009

**To consider the report from ST Accounting received as part of their FY23-24 Internal Audit work (interim audit) and to note recommendations/observations(continued):**

- 7) Noted and confirmed that the completion of the Transparency Code compliance (website uploads and data preparation) would be completed by financial year end.
- 8) Noted and confirmed that VAT compliance was in place and that RFO was providing detailed reports on VAT recovery and record-keeping; furthermore, that sales of eligible items are charged as VAT-inclusive as necessary/appropriate.
- 9) Noted and confirmed that procedures are in place with the GH operation to manage cash receipts generated by the venue and to ensure that any such cash is deposited frequently to minimise any risks associated with cash-holding on site.
- 10) Noted and confirmed that procedures are in place with the GH operation to undertake regular and accurate stock control checks to safeguard bar stock to mitigate risks in that regard.
- 11) Noted and confirmed that Council's earmarked and non-earmarked reserves are maintained in interest bearing accounts to maximise cash balances and to create additional revenue for the Council (but also recognising the implications of maintaining suitable and business-relevant liquidity).

Chair thanked STA for their diligence and efforts in assisting the Council with its internal financial controls and also thanked the RFO for their continued work in this regard. Noted.

## SF24/010

**To consider the Council's extant Grant Award Policy (and application forms and protocol) and to make recommendations to FULL Council on any changes or revisions deemed necessary or appropriate.**

*Members felt that this topic required more debate and review than was possible with so few members of the committee present and so the Chair suggested that the matter be brought back to the committee at a later date but that, for the meantime, the Council should temporarily suspend its Grant Award Scheme until such time as the grant award process and the relevant application documents could be reviewed. There was a subsequent proposal that a small working group (suggested membership: JF/SL/JW) be convened to review the core process and the application forms and then make recommendations to the S&F committee for onward recommendation to the FULL Council. Proposed by Chair, seconded by JW. Resolved unanimously.*

RFO: please note and make amendments to Council's website wording to reflect the suspension of the grant application process for the time being pending review as above.

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## **SF24/011**

**To consider any matters considered as urgent by presiding Chair for discussion & notation only:**

None raised.

## **SF24/012**

**To note the date of the next scheduled meeting of this committee; 29th April 2024 \***

*\* although it may be necessary to bring this meeting forward (or convene an additional extraordinary meeting of the committee) to attend to any business relating to Council's AGAR submission that requires consideration, and to consider matters pertaining to Risk Management Assessment and review.*

## **SF24/013**

SL proposed that under the provisions of the Public Bodies (Admission to Meetings) Act 1960, (as amended by the Local Government Act 1972 the public, (including the press) be excluded from the meeting as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted. The Chair seconded the proposal. Resolved.

**Part ONE recording was stopped at this point and the meeting moved into Part TWO (Confidential) session whereupon recording was resumed.**

**Committee business to be considered in Part Two:**

## **SF24/014 (IC)**

**To consider matters pertaining to a draft lease agreement between the Town Council and a 3rd party tenant; to bring members up-to-date on legal discussions and advice received: RFO to present report.**

Report received and noted by committee members. No further action required beyond that already resolved for progression.

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## SF24/015 (IC)

**To consider matters pertaining to the potential acquisition of a strategic parcel of land in the parish that may be of benefit to the Town Council: RFO to present report.**

After considering the report, it was proposed by SL, seconded by the Chair, that the Town Council should Not proceed with the purchase/acquisition on the grounds that the purchase would not create value for taxpayers but could, conversely, create additional financial obligations, risks and liabilities for the Council. Resolved accordingly.

RFO: please convey this decision back to the vendor, thanking them for their offer and explaining the reasons for the refusal.

## SF24/016 (IC)

**To consider matters pertaining to ongoing discussions on VAT self-registration and to consider advice received from 3rd parties and HMRC VAT department: RFO to present report.**

RFO confirmed that, following new professional advice received [which accorded with the original advice received by Council], the Council had proceeded to self-register for VAT with HMRC with an effective date of 1<sup>st</sup> April 2024 (ie. the start of the new Council financial year). Both the Guildhall and the Old Courthouse had been “opted-in” to maximise the VAT benefit to the Council. Noted.

## SF24/017 (IC)

**In conjunction with SF24/016 (IC) above, to consider matters pertaining to the potential requirement for this Council to utilise Local Authority accounting software deemed compliant with the HMRC “Making-Tax-Digital” requirements: RFO to present report and outline anticipated resource requirements.**

RFO provided a report which was noted. RFO was directed to obtain relevant quotations for such software and bring back to FULL Council (given the time parameters involved) in March for a decision on procurement. Chair thanked RFO for his continued efforts to ensure full compliance with local government financial regulations and VAT compliance as per IA recommendations and guidance.

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With no further business to attend to, the Chair closed the meeting at 8.35pm. Chair thanked all members for their time and patience.

Signed ..... Date: .....

**Minutes of the meeting of the Strategy & Finance Committee.**

**DRAFT MINUTES – YET TO BE APPROVED; Part ONE Minutes (Redacted)**

Held in person on Monday 19<sup>th</sup> February 2024. Meeting started at 7.30 p.m.

**S&F Committee Recommendations from meeting held 19<sup>th</sup> February 2024  
that require ratification by Full Council**

**SF24/007** That the Town Council's annual Risk Management Assessment preparatory work (and collation/review/approval) be undertaken in July/August annually as part of the overall Audit and Governance protocol rather than in the first three months of the year as currently undertaken.

**SF24/009** Approved the application for an additional UTB Multi-Pay card with an applicable spending limit for use by the RFO commensurate with current Council spending patterns.

**SF24/010** That the existing grant award scheme be temporarily suspended (closed to new applications) pending review of the award scheme process by a newly-formed working-group which would report back to S&FComm. with its findings and recommendations; furthermore, that any subsequent recommendations of the committee would be brought before FULL Council for review and ultimate decision on changes.

*Continued overleaf.*



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**SF24/015** That the proposed purchase of the land parcel considered for acquisition should not proceed for the reasons outlined during the discussion and decision.

**SF24/016** That the Town Council has self-registered with HMRC for VAT registration.

**SF24/017** That the Town Council should acquire Local Authority Accounting Software with MTD compliance capability as a matter of urgency.

DRAFT