

DORCHESTER TOWN COUNCIL

POLICY COMMITTEE

17th MARCH, 2009

At the Meeting of the Policy Committee held on 17th March, 2009:

PRESENT The Mayor (Councillor C.M. Hebditch) and Councillors M.A. Allwood, D.J. Barrett, R.M. Biggs (in the Chair), V. Black, T.C.N. Harries and L.M. Phillips.

In attendance:
Councillor R.B. Potter

APOLOGY for absence was received from Councillor Trevor Jones.

46. **MINUTES**

The Minutes of the Meeting of the Committee held on 20th January, 2009, adopted by Council on 27th January, 2009, were taken as read and were confirmed and signed by the Chairman as a correct record.

47. **RESOURCES PANEL**

The Committee considered the Minutes of the Meeting of the Resources Panel held on 24th February, 2009 (for Minutes see Appendices I and II).

It was

RECOMMENDED

That the Minutes of the Resources Panel held on 24th February, 2009 and the Annual Governance Statement set out at Appendix II be approved.

48. **RURAL SERVICES NETWORK**

The Committee considered an invitation received for the Council to join the Rural Services Network free of charge and it was

RECOMMENDED

That the invitation be accepted for an initial trial period of one year.

49. **TREASURY MANAGEMENT**

(a) **Cash Deposits**

Further to Minute 40(a) the Committee considered the report of the Financial Service Provider on the relative merits and de-merits of splitting the Council's cash deposits between two or more financial institutions. The Committee noted that all cash

deposits were at present with Lloyds TSB in which the Government had recently taken a majority share and it was

RESOLVED

That no change be made to the existing arrangements but that the matter be reviewed as a matter of routine at the annual meeting of the Resources Panel.

(b) Borrowings

Further to Minute 40(b) the Committee considered the report of the Financial Service Provider on the financial impacts of re-financing and consolidating the Council's various loans. Members noted that it would only be possible to achieve savings if the borrowings were re-structured over a ten year period which was not advisable for cash flow reasons; restructuring over a longer period would increase overall costs and it was

RESOLVED

That no changes be made to the Council's existing portfolio of borrowings.

50. **MANAGEMENT ACCOUNTS**

The Committee received and noted the Council's Management Accounts for the period ended 28th February, 2009.

The Financial Service Provider drew attention to significant costs incurred on repair and maintenance of premises because a number of large periodic projects had been carried out; much of this would, however, be off-set by transfers from earmarked reserves during the preparation of the final accounts.

51. **MEMBER DEVELOPMENT AND TRAINING STRATEGY**

The Committee gave preliminary consideration to the Member Development and Training Strategy and it was

RECOMMENDED

That detailed consideration of this matter be deferred and that, in the meantime, the Town Clerk be requested to circulate a copy of the Dorset County Training Partnership's training programme to all Members, inviting them to express interests in attending any of the courses provided, to identify additional topics for future training and to indicate their preference as to days and times for the provision of training.

52. **PAY AWARD – 2008-09**

The Committee noted that agreement had been reached nationally on the pay award effective from 1st April, 2008. An interim award of 2.45% had been applied in October, 2008 in accordance with the decision of the National Joint Council pending the outcome of arbitration which had resulted in the eventual award of an additional 0.3%.

53. **PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960**

It was

RESOLVED

That in view of the fact that publicity would be prejudicial to the public interest by reason of the confidential nature of the following matter the public and representatives of the press be excluded from this meeting during its discussion.

54. **BAD DEBTS**

The Committee considered the report of the Financial Service Provider recommending the writing-off of three bad debts in the total sum of £877.74 together with a list of debts and credits written off by the Town Clerk in accordance with Financial Regulation 5.3 in a net credit total of £283.52.

It was

RESOLVED

- (1) That the three bad debts identified in the report in the total sum of £877.74 be written-off.
- (2) That the list of debts and credits written off by the Town Clerk in accordance with Financial Regulation 5.3 in a net credit total of £283.52 be noted.

Chairman

DORCHESTER TOWN COUNCIL

RESOURCES PANEL

24th FEBRUARY, 2009

At a Meeting of the Resources Panel held on 24th February, 2009:

PRESENT The Mayor (Councillor C.M. Hebditch) and Councillors L.E. Heath, T James and Trevor Jones (Chairman).

APOLOGY for absence was received from Councillor D.J. Barrett.

1. **ANNUAL GOVERNANCE STATEMENT**

The Panel considered a draft Annual Governance Statement which complied with the requirements of the latest Statement of Recommended Practice (SORP) and required discrete approval prior to its incorporation in the Final Accounts.

It was

RECOMMENDED

That the Annual Governance Statement reproduced at Appendix II be approved so far as the Panel is concerned.

2. **INTERNAL AUDIT**

(a) **Internal Auditor's Report**

The Panel received and noted the most recent report of the Council's Internal Auditor.

(b) **Review of Effectiveness**

The Panel reviewed the effectiveness of the Council's internal audit arrangements in the light of guidance set out in 'Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide' and it was

RECOMMENDED

That the Council expresses its satisfaction as to the effectiveness of its arrangements for internal audit.

(c) **Terms of Engagement**

The Panel considered the standard Terms of Engagement of Accounts and Audit Services Limited for the provision of the Council's internal audit service for 2009-10.

It was

RECOMMENDED

That the Terms of Engagement be approved and that the estimated cost of £1,451.52 for providing the service be noted.

(d) Programme – 2009-10

The Panel considered the internal audit programme for 2009-10 proposed by Accounts and Audit Services Limited taking into account the guidance contained in the latest edition of the Practitioners Guide and incorporating additional tests considered appropriate for the Council in view of the level of activity in which it is engaged, including a test of the accuracy of reported performance data as recommended by the Council's external auditor.

It was

RECOMMENDED

That the proposed internal audit programme for 2009-10 as now submitted be approved.

3. **PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960**

It was

RESOLVED

That in view of the fact that publicity would be prejudicial to the public interest by reason of the confidential nature of the following matter the public and representatives of the press be excluded from this meeting during its discussion.

6. **REVIEW OF SALARIES AND STAFFING LEVELS**

The Panel received and noted a schedule setting out information on current staffing levels and salaries.

Arising from the consideration of this matter it was

RECOMMENDED

That the Town Clerk be requested to report to an early meeting of the Panel on the implementation and external assessment of the adequacy of the Council's Personal Achievement and Development Scheme and on training provided as a consequence and that, in future, a similar report be submitted to this annual meeting of the Panel.

DORCHESTER TOWN COUNCIL

ANNUAL GOVERNANCE STATEMENT – 2008-09

1. SCOPE OF RESPONSIBILITY

Dorchester Town Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of corporate governance which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

2. THE PRINCIPLES OF CORPORATE GOVERNANCE

The Council continues to refine and improve its arrangements for corporate governance and, in so doing, takes into account the six core principles, namely –

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

3. THE ELEMENTS OF THE COUNCIL'S CODE OF CORPORATE GOVERNANCE

This section of the Statement explores the Council's arrangements under each of the six core principles. It continues to be refined and improved. In particular a programme of review has been agreed for all the elements of the Council's corporate governance arrangements and the review is proceeding in accordance with this programme.

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

The Performance and Policy Plan is produced on an annual basis. The plan sets out the Council's objectives, the services provided by the Council in order to achieve them, costs associated with these services and the long term objectives for a variety of major issues.

Targets and measures have been agreed by elected members and senior managers to enable progress to be monitored against each of the corporate aims. These are published and monitored annually within the Performance and Policy Plan and are also monitored at approximately the halfway point of the life of the Performance and Policy Plan. Further work is in progress to improve the extent and quality of the Council's monitoring arrangements and the remit of the Council's Internal Auditor has been extended to include data quality checks.

This document took its present form in response to the imposition of the statutory duty of best value. This statutory duty was withdrawn with effect from 1 April 2008 but the Council recognises the value of the Performance and Policy Plan as a management tool and has decided to continue with its publication, albeit that the contents of it have already changed, and will change further, to make it more useful. The timing of its publication has also been changed to 30 November to more successfully inform the Council's resourcing considerations and budget process.

There are a number of other documents, policies and strategies which help to contribute towards the achievement of this principle, including the formal reporting of regular Management Accounts, a regularly-reviewed Treasury Management Policy and the Medium Term Financial Strategy. The Council also has a formal Complaints Procedure.

Members and officers working together to achieve a common purpose with clearly defined functions and roles

The Council has a written published Scheme of Delegation, agreed in September 2004 and operational from May 2005. The Scheme of Delegation was most recently reviewed in May 2008 as part of the review of all the elements of the Council's corporate governance documents, policies and procedures. It sets out the responsibilities of the full Council, delegations to committees and officers in accordance with the law, the Council's Standing Orders and Financial Regulations and its approved policy framework.

The Council's Standing Orders include detailed procedures for running business meetings; these were also last reviewed in May, 2008.

The full Council meets in public every other month with the possibility of extra meetings on an ad-hoc basis if required. This, together with an appropriate level of delegation, enables speedy and effective decision making. There is an opportunity for members of the public to speak at the end of all meetings of the full Council and also, with the consent of the Chairman, during committee meetings. The Council has considered whether to formalise the arrangements for public participation in committee meetings but concluded that the present arrangements operate satisfactorily.

The Council has a formal Member-Officer Protocol.

Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Council adopted a Local Code of Corporate Governance in March 2006 which sets out the full range of policies and procedures which the Council employs to ensure that its decisions are taken in accordance with the law and proper practice.

The West Dorset District Council's Standards Committee has jurisdiction over certain aspects of the conduct of Council Members within the framework established by the Standards Board for England. The Council adopted a revised Code of Conduct for Members in May 2007 following the recommendations of the Standards Board for England and all members attended a training session on the revised Code of Conduct in the Autumn of 2007.

Each agenda for a business meeting contains a note reminding members attending the meeting of the requirement to declare interests before an agenda item is discussed.

Members are encouraged to undertake training relevant to the area of decision making in which they are involved. New members joining the Council receive a detailed induction folder and induction training is available; five new members joined the Council at the 2007 elections and four of them underwent training arranged by the Dorset Association of Parish and Town Councils.

The Council appoints suitably qualified and experienced employees, selected against accurate and specific job descriptions and person specifications; an induction process is applied to all new employees and appropriate training is offered to employees where necessary. In addition the Council has adopted a Code of Conduct for Staff and this will be reviewed against the model code promised by the Standards Board for England when this is eventually published. The Council's Personal Achievement and Development Scheme was recently examined by South West Provincial Employers and found to be suited to its purpose.

In response to comments made following the audit of the Final Accounts for 2007-08 the Council adopted an Anti-Fraud and Corruption Policy in September 2008.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

In common with the vast majority of town and parish councils throughout the country the Council continues to operate a traditional committee structure which affords a high level of engagement and accountability. All members receive the agenda and supporting papers for all meetings of the Council and the various committees: Standing Orders provide for them to attend and speak at all meetings (with special arrangements in place in accordance with the code of conduct if the matter under consideration is one in which they have an interest). The work of the Committees is supported and underpinned by nine panels focussing more closely on particular areas of the Council's activity.

Financial and service risks are considered as part of normal day to day business of the Council. The high-level Risk Management Strategy has been reviewed and formally adopted by the Council. The Risk Register has been populated with existing and new risks and the various risks scored. The Council has adopted a Local Code of Corporate Governance which embeds risk management as does the Performance Management framework adopted by the Council in March 2006.

Responsibility for risk management is ultimately held by members through the agency of the Risk Management Panel but responsibility for risks on a day to day basis is delegated to managers.

Advice to members on the law, regulations and internal procedures is provided either in-house or by engaging legal advisers and other specialists as required. Internal and external audit reports are submitted to the Policy Committee or the Resources Panel and arrangements are in place for progress on the implementation on the recommendations contained in them to be monitored.

The Council has a formal Confidential Reporting Procedure and there are current working practices in place for regular risk assessments of play areas and other facilities run by the Council.

Developing the capacity and capability of members and officers to be effective

The Council has a proactive approach to training for both members and staff. Staff training needs are identified as part of the appraisal process and contribute to the corporate training plan. The Council has adopted a Member Development Strategy which encourages all members to undertake appropriate training.

Engaging with local people and other stakeholders to ensure robust public accountability

The Council has a long-standing commitment to public engagement and has an excellent record of public consultation and involvement. As well as dealing direct with residents in particular areas or particular interest groups when specific projects or initiatives are being developed the Council publishes a newsletter four times a year and has it circulated to all residential properties in the town.

The Council has also completely redesigned its website in a way which is more attractive to users and easier to access in another attempt to engage with local people.

4. THE FINANCIAL MANAGEMENT OF THE AUTHORITY

The Council has adopted Financial Regulations.

The system of financial control is based on a framework of regular management information, financial regulations, administration procedures (including segregation of duties so far as is possible in a small organisation), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by officers within the Council, with appropriate reports to, and approvals where required from, elected members. In particular the system includes:

- Annual budgeting and forecasting systems
- Setting targets to measure financial and other performance
- The preparation of financial reports to members to compare actual and budget expenditure.
- Reports detailing the cash position when new projects are undertaken.

During 2008-09 the Council purchased an internal audit service from an external provider. Internal audit reviews all the activities of the Council and an audit plan taking account of risk has been prepared in consultation with the Council's financial service provider. Internal audit reports are issued to members of the Policy Committee for discussion.

The Council has not produced a long-term financial plan but a Medium Term Financial Strategy, ending in 2011-12 was adopted in January 2009; this Strategy will periodically reviewed in accordance with a timetable approved by the Council. However from time to time long term projects are undertaken which have financial implications which run over years and receive forward planning. The Council also holds earmarked reserves for large expenditure items.

Budgets are determined annually and are set by the Council.

5. REVIEW ARRANGEMENTS

The Council has identified a timetable for review of the effectiveness of its corporate governance arrangements and, separately, a review of its internal audit arrangements. The Council will continue to respond proactively to reports from external and internal auditors and continue to monitor and develop its corporate governance arrangements and system of internal control, where appropriate in consultation with the Council's Financial Service Provider. Within the Council managers have a responsibility for the development and maintenance of the internal control environment.

Reviews will be informed by the work of internal audit, risk management, managers and comments made by the external auditors.

Signed on behalf of Dorchester Town Council:

A.N. Other
Mayor

Dennis Holmes
Town Clerk