

HOLYWELL TOWN COUNCIL

CYNGOR TREF TREFFYNNON

Minutes of the meeting of the Audit Sub-Committee held in the Council Chamber, Bank Place Offices, Holywell on Wednesday, 7 December 2016 at 5.45pm.

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PRESENT: Councillor E.B. Palmer (Chairman).  
Councillors: J.M. Johnson (Mayor), B. Scragg and P.A. York.

APOLOGIES FOR ABSENCE were received from Councillor P.J. McGarry.

IN ATTENDANCE: D.C. Pierce (Clerk).

A22. DECLARATIONS OF INTEREST – MEMBERS’ CODE OF CONDUCT

None.

A23. THE CODE OF CONDUCT FOR MEMBERS OF LOCAL AUTHORITIES IN WALES

Members noted that, following the amendments to the Code of Conduct earlier in the year, the Ombudsman had issued revised Guidance on the new model code. Each Member of the Sub-Committee had received a copy.

The Clerk advised that the Ombudsman published this Guidance on his website so that it could be frequently revised and updated. It was therefore important that the online Guidance itself should be referred to as a rule to ensure that the most up to date version was read.

The main changes to the Guidance reflected the changes to the Code of Conduct and so dealt with:

- (a) the repeal of the obligation to report suspected breaches of the code to the Ombudsman;
- (b) the new right to make written representations where a Councillor has a prejudicial interest, where members of the public have a right to attend and speak at a meeting;
- (c) the requirement to notify the Clerk of interests (rather than the Monitoring Officer).

RESOLVED:

That the revised Guidance (dated July, 2016) be circulated to all Members of the Council.

#### A24. BUDGETARY PROCESS

The Clerk reported on budget monitoring during the current financial year covering the quarterly periods from 1 April to 30 June and to 30 September 2016.

The Clerk also explained the background to the entries and circulated figures for the same period during the financial year 2015/16 for comparison. Also submitted were details of the Annual Budget (by combined account code/centre) showing actual year to date. The Clerk explained the benefits of the new system in this respect but added that some additional work was being undertaken with the matching of expenditure to the relevant code(s).

Members acknowledged the work that had been done since the installation of the new system and looked forward to relevant budgetary monitoring information being circulated on a regular basis.

#### RESOLVED:

That the information circulated by the Clerk be received and noted and circulated to all Members of the Council.

#### A25. REVIEW OF INTERNAL CONTROLS

As part of its annual review, the Sub-Committee looked at the effectiveness of the Council's internal controls having regard to the statutory Audit requirements.

Members considered the various controls in place and sought information/evidence from the Clerk, as appropriate, to supplement their review. The Clerk also circulated the current Risk Management Schedule.

Amongst other things, the review of controls covered:

- (i) Multiple cheque signatories
- (ii) Regular bank reconciliations
- (iii) Regular review of accounting records
- (iv) Recording in minutes of powers for payments
- (v) Minutes accurately recorded, numbered and approved
- (vi) Adequate insurance
- (vii) Testing of measures preventing fraud.

The Clerk added that, as a matter of general good practice, he continued to be available to assist any Member of the Council requiring information or clarification on the operation of the Council's financial systems and controls.

The Clerk also submitted details from the Council's Internal Auditor (JDH Business Services of Pantymwyn) of their Interim Audit Services between November and March in each financial year.

RESOLVED:

- (1) That, in accordance with the relevant statutory Regulations, the Council's system of internal controls currently in place is considered to be generally adequate and effective for the areas reviewed.
- (2) That Members of the Audit Sub-Committee continue to be encouraged to take the opportunity to scrutinise the monthly accounts/payments which are available in the Clerk's office on the day prior to each meeting of the Council, as well as any other aspect of the Authority's financial arrangements.
- (3) That the Risk Management Schedule dated 7 December 2016, circulated with the agenda, be noted and approved.
- (4) That the matter of an interim audit be left to the Clerk to discuss with the Internal Auditor and to arrange if considered advisable.

A26. REVIEW OF THE COUNCIL'S ANNUAL INVESTMENT STRATEGY

The Council's current strategy was circulated for consideration.

RESOLVED:

That the Investment Strategy dated 7 December 2016, circulated with the agenda, be noted and approved.

A27. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded for minute A28 on grounds that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted including reference to financial and contractual matters.

A28. PRECEPT 2017/18 – CORPORATE AND FINANCIAL ISSUES RELATING TO THE COUNTY COUNCIL'S COMMUNITY ASSET TRANSFER (CAT) SCHEMES, STAFF RECRUITMENT AND OTHER BUDGET RELATED MATTERS

The Clerk reported on the above issues which required consideration for the forthcoming and for future financial years as the impact of the ongoing

budget cuts at County Council level continued to be felt within the community.

A Member raised his concerns at the effect on the community taxpayer of a possible significant % increase in Town Council's precept to meet the subsidy requested as part of the proposed new arrangements for the Holywell Leisure Centre and other asset transfer issues, including public toilets. It appeared that Holywell, despite having a strategic location within the County, needed more attention to reverse the decline in its regeneration. He felt that the support of the four County Councillors for the community was important in this respect. Additionally, it was suggested that an early meeting be arranged with senior Councillors and officers from the County Council to review the situation before the Town Council's precept-setting meeting at the end of January.

RESOLVED:

- (1) That the position be noted and that, as part of the budget preparation, the Clerk report further to the Finance (Budget) Committee in respect of any items/estimated costs that require consideration arising from matters discussed by the Audit Sub-Committee.
- (2) That the Members' concerns be referred to the meeting of the Community Asset Transfer Committee to be held after the Sub-Committee meeting.

A29. CLOSE OF MEETING

The Chairman closed the meeting at 5.50pm.

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Chairman