

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 2 December 2015 at 10a.m.

PRESENT: Councillor B. Scragg (Vice-Chairman) presiding.
Councillors: P.J. McGarry (Mayor) and E.B. Palmer.

APOLOGIES FOR ABSENCE were received from Councillors J. Griffiths, J.M. Johnson and P.A. York.

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

A12. DECLARATIONS OF INTEREST – MEMBERS’ CODE OF CONDUCT

None.

A13. FINANCIAL MANAGEMENT AND GOVERNANCE IN COMMUNITY AND TOWN COUNCILS 2013-14

Members had before them a copy of the Report from the Auditor General for Wales. It considered the progress made by local Councils across the country to address identified weaknesses and highlighted areas the Auditor General would be focussing on for the audit of the 2015-16 accounts, including examining arrangements for setting and monitoring budgets and for engaging the services of internal audit.

For Holywell Town Council, the Clerk reported on arrangements that had taken place for the 2014-15 accounts where the Council had provided additional supporting information to meet the requirements of a sampled intermediate audit carried out by the then appointed External Auditors, UHY Hacker Young. An unqualified report had been issued which indicated that the auditors were satisfied with the information received. In general, Members were satisfied that the Council had adequate and transparent arrangements in place although, as always, any future recommendations submitted by the appointed auditors would be duly considered for implementation.

The Clerk again raised the issue of budget monitoring reports over and above what was done already and reported that he had not, to date, been able to secure a local provider for a suitable system/software as earlier requested by the Sub-Committee. He stressed the importance of having robust reporting arrangements in place. Although the Council’s arrangements had generally worked well over the years, he remained of the view that a relatively small investment of between £500 and £1,000 would provide benefits for the Authority in respect of future budget monitoring reports and control.

RESOLVED:

- (1) That the Clerk move forward to obtain an accounts software package to support and develop the Council's existing manual system to meet the statutory audit requirements by facilitating budget monitoring and reporting arrangements to the Authority.
- (2) That the Clerk be thanked for his work in respect of managing the Council's financial arrangements.

A14. BANK RECONCILIATION 2015/16 – QUARTERLY STATEMENTS

Members had before them a copy of the Reconciliation Statements for the quarterly period from 1 April to 30 June and to 30 September 2015. The Clerk explained the background to the entries.

RESOLVED:

That the Statements, together with the Clerk's report, be received and noted.

A15. REVIEW OF INTERNAL CONTROLS 2015/16

As part of its ongoing review, the Sub-Committee looked at the effectiveness of the Council's internal controls as required under the statutory audit regulations and had regard to the Wales Audit Office Report – Financial Management and Governance in Community and Town Councils 2013-14 (minute no. A13.).

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.

Reference was made to the recent Christmas lights switch-on event which, this year, had not been assisted by the very bad weather on the day and to the need to ensure adequate personal protective clothing for use by staff should a future event be similarly affected.

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.

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 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 2 December 2015 be noted and approved.
- (4) That arrangements be made to obtain appropriate replacement (high-vis) protective clothing for Council staff for use in connection with future events etc.

A16. REVIEW OF THE COUNCIL'S ANNUAL INVESTMENT STRATEGY

The Council's current strategy was circulated for consideration.

RESOLVED:

That the Investment Strategy dated 2 December 2015, circulated with the agenda, be noted and approved and that the Clerk be authorised to transfer funds between the HSBC Money Market fixed term deposit (investment) account and the HSBC Money Manager/Master Account, subject to the Investment holding not exceeding £40,000 (excluding interest).

A17. REVIEW OF THE COUNCIL'S ENERGY SUPPLY ARRANGEMENTS – BANK PLACE OFFICES

The Clerk reported that the review of current arrangements with British Gas who were the Council's energy supplier, under a fixed term contract ending in 2016 – on 13 March (Gas)/6 April (Electricity).

As a result and following a free energy audit, new suppliers Opus Energy (Gas) and N-Power (Electricity) would be providers to follow on from the above dates under new three year contracts with payments via direct debit. The new arrangements would provide estimated savings in the amounts reported to the Sub-Committee.

RESOLVED:

That the Clerk's action be noted and approved.

A18. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded for minute A19. 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 contractual matters and engagement/terms of service of employees.

A19. PRECEPT 2016/17 – CORPORATE AND FINANCIAL ISSUES RELATING TO THE COUNTY COUNCIL'S COMMUNITY ASSET TRANSFER SCHEME, COUNCIL ACCOMMODATION AND STAFF RECRUITMENT

Consideration was given to the Clerk's verbal report in relation to the above matters which raised several issues that presently required consideration or which would need to be addressed in the near future in the light especially of the continuing 'knock-on-effects of the austerity measures at County Council level, changes to the Council's accommodation at Bank Place Offices and the implications for Community/Town Councils arising from the draft proposals for local government reform. The Clerk also informed Members of his intentions in respect of his position with the Council following the next round of whole Council elections in May 2017.

RESOLVED:

- (1) That the position be noted and that, as part of the budget preparations, the Clerk report further to the Finance Committee at its precept-setting meeting in respect of any items/estimated costs that require consideration arising from the matters discussed at the meeting.
- (2) That, as a first step, the Clerk report back to the Sub-Committee with a suggested recruitment procedure and supporting documentation for an Administrative Support Officer or similar (part-time, initially) for the Council.

A20. CLOSE OF MEETING

The Vice-Chairman, presiding, closed the meeting at 11.00am.

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(Vice)Chairman