

HOLYWELL TOWN COUNCIL

CYNGOR TREF TREFFYNNON

Minutes of the **Meeting of the Audit Sub-Committee** held in the Ground Floor Meeting Room, Bank Place Offices, Holywell on Tuesday 24 July 2018 at 5.00pm.

PRESENT: Councillor E.B. Palmer (Chairman – see minute A1).
Councillors: P.A. Johnson, B. Scragg.

APOLOGIES FOR ABSENCE were received from Councillors L.A. Carter and J.M. Johnson.

IN ATTENDANCE: J. Baker (Clerk).

A1. ELECTION OF CHAIRMAN 2018/19

RESOLVED:

That Councillor E.B. Palmer is elected Chairman of the Audit Sub-Committee for 2018/19.

A2. APPOINTMENT OF VICE-CHAIRMAN 2018/19

RESOLVED:

That Councillor B. Scragg is appointed Vice-Chairman of the Audit Sub-Committee for 2018/19.

A3. DECLARATIONS OF INTEREST – MEMBERS’ CODE OF CONDUCT

None.

A4. BANK RECONCILIATION 2018/19 – QUARTER 1

Members considered the Reconciliation Statement for the period ending 30 June 2018. The Clerk explained the background to the entries, and highlighted the closing bank balance, the investment bond and the value of unrepresented payments.

RESOLVED:

That the Statement together with the Clerk’s report be received and noted.

A5. MANAGEMENT ACCOUNTS 2018/19 – QUARTER 1

Members considered the Income and Expenditure Statement for the period ending 30 June 2018. The Clerk explained the reasons for the variances highlighted in the ‘traffic light’ system used to monitor over and under spends. Members noted expenditure was broadly in line with the budget for the period reported.

RESOLVED:

That the Statement be received and endorsed.

A6. AUDIT OF THE COUNCIL’S ANNUAL ACCOUNTS 2017/18

Members had before them a copy of the report from the Internal Auditor following the comprehensive audit of the Council’s accounts which had been carried out on 7 June 2018 by JDH Business Services. The report concluded that *“On the basis of the internal audit work carried out, in our view the Council’s system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan submitted. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan”*.

It was noted that all issues and associated recommendations from the 2016/17 internal audit had been implemented. The Clerk reported on the recommendations/action in respect of the Internal Audit report for the financial year ended 31 March 2018, as follows:

| No. | Issue | Recommendation | Clerk’s Response |
|------------|--|--|--|
| 1 | Training costs (and a minor amount of subsistence costs) had been included within staff costs in the annual return as the RBS system had allocated these costs to level 4 (Staff costs) instead of level 6 (Other payments). | The RBS ledger hierarchy should be set up to allocate training and other costs to ‘Other Payments’ instead of ‘Staff costs’ in the system generated annual return. | Annual Return was amended before submission to the external auditors. The RBS system ledger hierarchy has been amended to allocate training and subsistence costs to other payments. |
| 2 | The clerk identified a minor difference between the VAT control account and the year-end VAT returns. Therefore, the RBS software had not carried this item through automatically to the system generated VAT return. | RBS should be informed about the accounting system defect. The council should continue to annually reconcile the VAT control account to the annual VAT return so any further instances of this issue will be identified. | RBS were informed of the system anomaly affecting the VAT report and the issue corrected. Further monitoring will be undertaken as the year progresses and any recurrence reported to RBS. |

RESOLVED:

- (1) That the Internal Auditor's report be received and noted.
- (2) That the Clerk's responses on each reported audit issue and recommendation, as stated above, is noted and endorsed.
- (3) That the Clerk be thanked for his work as the Council's Responsible Financial Officer.

A7. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded for the following minutes, A8, on grounds that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted relating to personnel information.

A8. STAFFING ISSUES

The Clerk provided members with a report on current staffing issues; there were three matters requiring attention as follows:

- i. Clerk's Working Hours - Despite the increase in hours agreed by members back in December 2017 the Clerk was still finding it a challenge to remain within the contracted hours of the role.
- ii. Projects and Development Officer – The postholder had requested a review of the pay grade, following a shift in some duties over the last twelve months.
- iii. Staff Travel Claims – Clarity was sought on the rules and procedures for staff travel claims to and from meetings and events outside of the normal working day.

RESOLVED:

- 1) That the Clerk continues to manage his hours through the time banking system for the time being but undertakes a further review in the Autumn period later this year and prepares a report for members with appropriate recommendations.

- 2) That the Projects and Development Officer pay grade is reviewed by a small working group of members consisting of Councillors R. Dolphin, E.B. Palmer and B. Scragg.
- 3) That all members of staff can claim travel costs for events and meetings outside of the Holywell community, but not for attending events in the town centre or meetings at the Council Offices. Time of in lieu should continue to be booked when staff are required to attend work outside of their normal working hours.

A9. CLOSE OF MEETING

The Chairman closed the meeting at 5.50pm.

.....

Chairman