

HOLYWELL TOWN COUNCIL

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Minutes of the **Meeting of the Audit Sub-Committee** held in the Council Chamber, Bank Place Offices, Holywell on Wednesday 6 February 2019 at 10.00am.

PRESENT: Councillor E.B. Palmer (Chair).

Councillors: J.M. Johnson and B. Scragg.

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

IN ATTENDANCE: J. Baker (Clerk).

A19. DECLARATIONS OF INTEREST – MEMBERS’ CODE OF CONDUCT

None.

A20. BANK RECONCILIATION 2018/19 – QUARTER 3

Members considered the Reconciliation Statement for the period ending 31 December 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.

A21. MANAGEMENT ACCOUNTS 2018/19 – QUARTER 3

Members considered the Income and Expenditure Statement for the period ending 31 December 2018. Members noted expenditure was broadly in line with the budget for the period reported, which would result in balances being maintained at the end of the financial year. A greater emphasis on grant research resulted in a number of successful grant awards and contributions, which enabled smaller projects to be progressed while minimising the financial impact on balances.

RESOLVED:

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

A22. REVIEW OF INTERNAL CONTROLS

Members reviewed 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 from the Clerk to supplement their review. The Clerk also circulated the current Risk Management Schedule.

The review of controls covered:

- Multiple cheque signatories
- Regular bank reconciliations
- Regular review of accounting records
- Recording in minutes of powers for payments
- Minutes accurately recorded, numbered and approved
- Adequate insurance
- Testing of measures preventing fraud.

The Clerk was 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 the Risk Management Schedule dated 21 January 2019, circulated with the agenda, be noted and approved.

A23. REVIEW OF THE COUNCIL'S INVESTMENT STRATEGY

The Council's current strategy was circulated for consideration, which included a review of the Money Market Investment Account.

RESOLVED:

That the Investment Strategy dated 1 February 2019, circulated with the agenda, be noted and approved.

A24. INTERIM AUDIT OF THE COUNCIL'S ACCOUNTS 2018/19

Members noted the contents of the Interim Audit Report provided by the Council's Internal Auditor. The Clerk provided operational updates on the issues raised as follows:

- Employee quote for events
- GDPR progress and implications
- Terms of Reference and Delegated Powers of Committees/Sub-Committees
- Confirmation of receipt for grants/donations

It was noted that the Internal Auditor concluded the Council's current system of internal controls is adequate and fit for the purpose intended.

RESOLVED:

- 1) That the Interim Internal Audit report be noted, and the recommendations followed up by the Clerk.
- 2) That in respect of the Council's GDPR commitments the Clerk seeks quotations from appropriate suppliers to ensure a programme of actions is implemented for the Council to meet its statutory obligations.
- 3) That the Chair's Sub-Committee draft terms of reference for all committees and sub-committees at its next meeting, for consideration by the Council in due course.

A25. COUNCIL POLICY REVIEWS

Members considered draft documents for the next phase of policy reviews and updates as follows:

- Complaints Procedure
- Members Code of Conduct

RESOLVED:

That the above policies are approved and published subject to ratification by full council.

A26. EVENT PREPAYMENT OPTIONS

Members considered the matter of making a prepayment for securing performers at events. The Clerk advised this is acceptable from an audit standpoint providing a contract is drawn up setting out terms and conditions. If the prepayment falls in the prior financial year the Clerk would adjust the accounts to reflect this. The prepaid element in most circumstances would relate to a deposit i.e. a percentage of the overall fee involved.

RESOLVED:

That appropriate prepayments in relation to events is supported, subject to operational requirements and an assessment of the risk based on each individual case.

A27. UTILITY CONTRACTS

The Clerk confirmed that the contracts for both gas and electric utility supply for the council offices were due to finish shortly. Quotations had been sought by the Clerk for a 3-year contract with the preferred and most cost-effective supplier options as follows:

Broker: Black Sheep Utilities

Gas Supplier: CNG Power Up

Day Rate: 3.311p

Electric Supplier: British Gas

Day Rate: 15.510p, Night Rate 10.880p, Standing Charge 22.790p

RESOLVED:

That members endorse the new contract arrangements.

A28. CLOSE OF MEETING

The Chairman closed the meeting at 11.00am.

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Chairman