

MAGHULL TOWN COUNCIL
AUDIT & GOVERNANCE COMMITTEE MEETING
HELD 10TH OCTOBER 2012

181. PRESENT – Councillor (Ms) S. Williams (In The Chair) and Cllrs : S. Kermode, (Mrs) G. Kermode, A. Blackburn. Mr. J. Melia, Interim Executive Officer, Mrs. P. Annal (Minutes).

182. WELCOME BY THE CHAIRMAN - The Chairman welcomed colleagues to the meeting.

183. APOLOGIES FOR ABSENCE - None

184. DECLARATION OF INTERESTS (MEMBERS AND OFFICERS) – None indicated

185. MINUTES – *RESOLVED* that the Minutes of an **Audit & Governance Committee Meeting, held 6th June 2012** – copies of which have been printed and circulated – be taken as read and signed by the Chairman. *PROPOSED* by Councillor S. Kermode, *SECONDED* by Councillor (Mrs) G. Kermode – *AGREED UNANIMOUSLY*.

186. MATTERS ARISING – Councillor (Ms) S. Williams raised the following issues :

Min. No. 52 – comments regarding :

“Accuracy of the Roof Audit Report” undertaken by Sefton MBC Auditors. Councillor Williams enquired when the Audit Report would be made public. The Interim Executive Officer, Mr. Jim Melia responded that this could not happen until the various personnel/Interim Town Clerks who had been written to with a request for further information of their involvement in this project whilst they were in post, had received acknowledgement letters thanking them for their comments. Mr. Melia stated the acknowledgement letters would be sent out on Thursday 11th October, after which a decision would be made with regard to the Report being released into the public domain.

Tenders for major projects - Councillor Williams re-confirmed that three tenders should be sought for any major projects. She referred back to the roof project when only two out of three tenders arrived in time. The third tender was returned unopened.

Min. No. 53 – comments from Internal Audit regarding :-

Purchasing System – No evidence of quotes being obtained for the Town Council’s annual Firework Display. Councillor Williams re-iterated that it is the responsibility of the Town Clerk to ensure all quotes are received and kept on file.

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Photocopying procedures - Councillor Williams asked for an update on usage of the photocopier with a request that the information is available every twelve weeks.

187. FINANCIAL REGULATIONS AND STANDING ORDERS – Councillor (Ms) S. Williams confirmed that both these documents had been reviewed, and subject to any amendments, agreed at a recent meeting of the Finance Committee. The documents have been forwarded to the Internal Auditors for their comments and/or amendments. She further stated that these documents have been received back from the Internal Audit with amendments highlighted. These will be processed by the Interim Executive Officer.

Both documents will be presented at a future meeting of Full Council for ratification. Elected Members *NOTED* the Chairman's comments.

188. WHISTLE BLOWING POLICY - Councillor (Ms) S. Williams expressed her concern that the Town Council does not have a whistle blowing policy. She felt it important that such a policy should be in place as it would offer guidelines and procedures if a matter of fraud was suspected or any other serious concerns raised.

A short debate followed in which the Chairman highlighted a possible procedure that the 'whistle blower' should follow if a fraud was suspected. In the first instance the 'whistle blower' should report to the Town Clerk, leader of the Council, Chairman of the Audit & Governance Committee, Independent Auditors, N.A.L.C or the Police.

The Interim Executive Officer stated that the whistle blowing policy does not just cover fraud but also encompasses improper conduct and harassment. The discussion was *NOTED* by Elected Members.

189. INTERNAL AUDIT REPORT QUARTER 1 AND ACTION PLAN – Councillor (Ms) S. Williams stated that, overall, the Internal Audit report for quarter 1 was very pleasing, but highlighted the following points :-

Review of Financial Regulations - These are being reviewed by the Finance Committee

Review and testing of room hire system - An agreed 'day rate' for a three day hiring of the Youth Coffee Bar to be put in place. Councillor Williams suggested the Interim Executive Officer to set room rates for the duration of his time in post. Councillor A. Blackburn suggested the Interim Executive Officer or nominated substitute and/or the leader of the Council be the appropriate person/s to set room hire rates.

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Function Suite Lease compliance - The Interim Executive Officer, Mr. Melia addressed this item. He stated that the lease for The Venue Function Suite has now been formalised and a copy has been sent to the Licensee, Mr. Tony Simons. One suggestion put to the Licensee is that the rent be paid quarterly 'up front' and in advance. This would be a rather large amount of money to find 'up front'.

Mr. Melia recommended that the status quo prevails in that only one month's rent of £1950 be paid in advance.

Review of Risk Assessment report - Councillor (Ms) S. Williams requested that this report be reviewed on a quarterly basis instead of yearly, as highlighted in the Internal Audit Report.

To this end it was *PROPOSED* by Councillor S. Kermode, *SECONDED* by Councillor (Mrs) G. Kermode that the Internal Audit Report and Action Plan for quarter 1 be *AGREED* and *ACCEPTED*. This was *AGREED UNANIMOUSLY*

190. EXTERNAL AUDIT REPORT - The Chairman drew Members' attention to the External Audit Report. The Report highlighted the on-going investigation into the roof refurbishment project. With this in mind the External Audit have not completed their Audit pending the conclusion of this investigation.

The External Audit have highlighted three concerns : (i) Test K on Section 4 - (ii) Internal Auditor's recommendations - (iii) Fidelity Guarantee. The Chairman asked that these concerns be clarified by the Finance Officer upon return from annual leave.

To this end it was *PROPOSED* by Councillor S. Kermode, *SECONDED* by Councillor (Mrs) G. Kermode that the External Audit Report be *AGREED* and *ACCEPTED*. This was *AGREED UNANIMOUSLY*.

191. CHAIRMAN'S REPORT - To recap, the Chairman stated :

Maghull Town Council's Financial Regulations and Standing Orders have been reviewed by the Finance Committee and approved, subject to amendments. They were forwarded to the Internal Audit for their consideration. She stated that the Internal Audit have highlighted quite a few amendments. These will be processed by the Interim Executive Officer and the Finance Officer.

Whistle Blowing Policy will be put in place.

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Audit & Governance Committee will deal with issues of governance across the whole spectrum. She stated the governance of the Council will be of paramount importance over the next twelve months.

192. ANY OTHER BUSINESS – Nothing indicated.

CHAIRMAN