

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE  
MALVERN TOWN COUNCIL**

**held on Tuesday 8 June 2021**

**in the Council Chamber, Belle Vue Terrace, Malvern at 6.00 pm**

**Councillors**

Present

C Palmer  
C Bovey  
L Lambeth  
D Watkins

**In attendance**

Cllr Nick Houghton - Mayor  
Chris Boyd, Internal Auditor  
Linda Blake – Town Clerk  
Louise Wall – Minute Clerk  
Cllr Aidan Stitt

Absent

S Taylor (apologies)

**1. ELECTION OF CHAIRMAN**

Cllr Cynthia Palmer was elected Chairman of the Audit Committee for 2021/22.

**2. ELECTION OF VICE-CHAIRMAN**

Cllr Caroline Bovey was elected Vice-Chairman of the Audit Committee for 2021/22.

**3. APOLOGIES FOR ABSENCE**

Apologies for absence received from Cllr S Taylor were noted.

**4. DECLARATIONS OF INTEREST**

None.

**5. MINUTES OF PREVIOUS MEETING**

It was **RESOLVED** that the minutes of the following meeting be approved and adopted as a correct record of the proceedings, and these were signed by the Chairman:

- Audit Committee meeting held on 19 November 2020.

**PUBLIC PARTICIPATION**

None.

**6. ANNUAL INTERNAL AUDIT REPORT – FINANCIAL YEAR ENDING 31 MARCH 2021**

Report AC01/21 was received and committee noted the internal audit work that had been undertaken during the 2020/21 financial year.

Mr Chris Boyd from Boyds Chartered Accountants described how the financial year had started with the ransomware attack on the computer system but that this had soon been rectified with a fast re-input of data and a recent backup copy. Following a change to the entire IT structure, there was now a more intensive back up in place should there be any problems in the future. He then explained that this was his last year as internal auditor as he intended to retire soon. Mr Boyd outlined the

main details of his report, and informed committee that he was pleased to be able to give another clean audit report, for 2020/21. He then invited questions from those present regarding his internal audit report.

The report had recommended a more frequent bank reconciliation, especially important at times when many invoices are being issued and money being paid in, such as when the allotment invoices are sent out.

Members questioned Mr Boyd over his recommendation to continue using SAGE rather than updating to a new system. He explained that officers were accustomed to the current system and there seemed little point in changing something that worked well. He pointed out that if there was any financial information the councillors required - in addition to that provided with the accounts - then they were entitled to, and should, ask for this. Backups also take place regularly and are stored on the cloud, as with other council files.

It was **AGREED** that the current use of SAGE and the backing up of its data would be continued for a further year and then be reviewed by the Audit Committee.

It was **RECOMMENDED** that the Internal Audit Report 2020/21 of the Council's Internal Auditor be accepted and forwarded to the next meeting of Full Council for approval.

7. **REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL**

Report AC02/20 was received and accepted.

The Town Clerk confirmed that the following works had been carried out during the 2020/21 financial year as per the agreed timetable:

- Review of events budget for 2021/22
- Review of purchase order control system
- Review of internal controls in processing invoices for payment
- Review of petty cash procedure

The Internal Auditor noted that he was satisfied with the work the committee had completed. It was unknown what the External Auditor may ask for to check, and it was good that there was a record of these reviews being carried out.

Committee **NOTED** the work carried out and **RECOMMENDED** that Council should agree that a satisfactory review of the systems on internal control had been completed during 2020/21.

8. **INTERNAL AUDIT COMMITTEE – WORK PLAN 2021/22**

The Internal Auditor had identified that reserve funds were quite high, and the committee could look at whether these funds could be reappropriated. Further to this is the proposed redevelopment of Victoria Park pavilion which could require substantial funding.

After discussion, it was **AGREED** that the following would form the work plan 2021/22 for the Audit Committee:

- A review of the use of SAGE as an accounting system
- A review of the events budget following the possible cancellation of events for a second year running
- A review of the process for invoicing customers
- A review of internet banking processes
- A review of the Council's credit control processes and controls

The Chairman thanked Mr Boyd for his excellent work and support during his time as Internal Auditor and wished him well for his retirement.

The Chairman also thanked the Town Clerk and Finance Officer for their diligence in keeping the financial records.

It was **AGREED** that the Town Clerk would begin looking for a replacement Internal Auditor straightaway.

**9. DATE OF NEXT AUDIT COMMITTEE MEETING**

It was **AGREED** that the next meeting of the Audit Committee would be on Wednesday 18 August 2021 at 6.00 pm.

The meeting ended at 6.40 pm.

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(Chairman)