MINUTES OF A MEETING OF THE AUDIT COMMITTEE
MALVERN TOWN COUNCIL
held on Wednesday 12 October 2022
in the Council Chamber, Belle Vue Terrace, Malvern at 6.00 pm

Councillors
Cllr Cynthia Palmer (Chairman)
Cllr Caroline Bovey
Cllr Lynne Lambeth
Cllr David Mead
Cllr David Watkins

In attendance
Linda Blake – Town Clerk
Louise Wall – Minute Clerk
Charles Porter – Operations Manager

16.   APOLOGIES FOR ABSENCE

There were no apologies for absence.

17.   DECLARATIONS OF INTEREST

None.

18.   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 6 September 2022

19.   PUBLIC PARTICIPATION

None.

20.   REVIEW OF THE COUNCIL'S ARRANGEMENTS TO PROCURE WORK, GOODS AND SERVICES

The Operations manager explained that Financial Regulations state the limits to which officers may work when procuring work and these are adhered to for all contracts.

  a) **Contracts over £25,000**: Approval should be by Full Council with no delegation permitted.

  b) **Contracts over £10,000 and under £25,000**: Approval by the Town Clerk in consultation with the Chairman of the Council and the Chairman of Policy and Resources Committee.

  c) **Contracts below £10,000**: Approval by the Town Clerk.

There are also slightly different limits for multi-year contracts.

Members discussed the way in which contracts are advertised and services procured, and asked questions about the tender process, answered as follows:

- Officers identify potential companies to invite to tender by a combination of methods, such as word of mouth, asking other local councils for any recommendations, internet searches and previous experience etc.

- Quotes are sought from at least two suppliers, three or more for amounts of over £5,000. If this is not possible for any reason, a report will be submitted to a council committee stating the reasons.

- For larger projects, a specification sheet is created to allow for tenders to be submitted in line with clearly defined instructions.

- Sealed tenders are opened at the same time by the Town Clerk in the presence of at least one member of Council, usually the Mayor.

- For larger tenders there will be a set scoring system but for smaller amounts the tender as a whole will be taken into consideration with the preference being to use local companies wherever possible.

- The Council does not necessarily accept the lowest tender.

- Regular reviews and checks are made to ensure that the Council is obtaining value for money.

Members suggested that after a contract had been awarded and completed, it would be useful to produce a report to summarise the process, including what had worked, what had not, relevant photographs etc. This would serve as a useful reference for employees in the future.

It was **RECOMMENDED** that a tender summary report be made after the award of any contract over £10,000 in value.

21. **REVIEW OF THE COUNCIL'S RISK MANAGEMENT PROCESSES, CONTROLS AND DOCUMENTATION**

The Town Clerk explained that risk management covered a wide area and the internal auditor had suggested carrying out a review of the process of how the Town Council managed risks, controls carried out to monitor these and any documentation used and retained.

Operational duties

The Operations Manager informed members that day-to-day operations were effectively risk-managed by several methods including the hierarchy of controls. Where possible, the hazard is removed or substituted, and thereafter controls are put in place to either isolate people from the hazard or change the way in which employees work to reduce risk. All employees have regular training on health and safety matters and how to use all tools, machinery and vehicles. They are also provided with personal protective equipment to enable them to carry out their jobs properly and safely. Employees are notified of any major changes in operations and given relevant training before these changes are put into practice.

Events

Town Council events must be risk assessed thoroughly as they may be attended by large numbers of the public. This is done not only by the Town Council but also by any exhibitors, contractors, bands or stallholders who attend the events. Their risk assessments must be submitted to officers before the event is held.

Documentation

All assessments are checked by the Operations Manager and copies are retained in the cemetery office and the main office.

<u>Financial Risk Management</u>

Risk management is not just related to day-to-day operational activities, but also to longer term strategic planning. The Council sets short term and long term aims and objectives each year, and a review is then undertaken to identify the risks faced in trying to achieve these. The process includes identification of hazards which may prevent objectives being achieved, the level of risk, consequences of failing to achieve objectives, how these risks can be managed and whether there are adequate procedures in place to ensure objectives are achieved.

It was **NOTED** that whilst Council has a clear process for setting aims and objectives and risk assessing them, there was no formal review of performance against these objectives.

It was **RECOMMENDED** that a review should be carried out each year on the Council's performance and progress against its agreed aims and objectives.

The annual budget process is a thorough one carried out by the Budget Working Party and Policy and Resources Committee, with input from the Operations and Planning Committee. Clear reports are produced and published on the Town Council's website. Committee were satisfied that controls and procedures are adequate in this area.

22.   DATE OF NEXT AUDIT COMMITTEE MEETING

It was **AGREED** that the next meeting of the Audit Committee would be on Wednesday 22 February 2023 at 6.00 pm.

The meeting ended at 6.50 pm

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(Chairman)