

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

**held on Wednesday 23 August 2023**

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

**Councillors**

Cllr Caroline Bovey  
Cllr Josephine Leibrandt (from 6.02pm)  
Cllr David Mead  
Cllr David Watkins

**In attendance**

Linda Blake – Town Clerk  
Louise Wall – Minute Clerk  
  
Cllr Clive Hooper (Mayor)

**Absent**

Cllr Jude Green (apologies)

**10. APOLOGIES FOR ABSENCE**

Apologies for absence from Cllr Jude Green were **NOTED**.

**11. DECLARATIONS OF INTEREST**

None.

**12. MINUTES OF PREVIOUS MEETING**

The minutes of the previous Audit Committee meeting held on 7 June 2023 were received and accepted.

***Cllr Josephine Leibrandt joined the meeting at 6.02pm***

**PUBLIC PARTICIPATION**

None.

**13. REVIEW OF INTERNAL AUDIT CONTRACT**

Report AC01/23 was received and accepted.

The Town Clerk explained that Duncan Edwards of DKE Audit Services had been Internal Auditor for Malvern Town Council for the past two years. Whereas the previous Internal Auditor had focussed largely on the financial aspects of the Town Council's operations, Mr Edwards had concentrated more on risk management and controls in place to mitigate such risks. The Town Clerk felt that his work had been highly satisfactory.

The initial two-year contract was now due for renewal and members were asked to consider continuing the contract for a further two years covering 2023/24 and 2024/25 with an option after that for one more year if both parties were happy to continue.

Based on his experience during the two years, Mr Edwards had asked for two additions to his terms of reference, to ensure that works remained focussed on the AGAR related contract, these being:

i. Operating arrangements

The internal auditor will be free to select the test samples required in order to form an opinion on the general effectiveness of controls and compliance. The internal auditor shall ensure that they are not directed by staff or

**UNADOPTED**

members when selecting the areas to be tested or when generating test samples.

ii. The scope of Internal Audit Activity

The scope of the internal audit work shall be limited to that required to complete page 3 of the AGAR. The days allocated are reflective of the work required and this limitation. For any internal audit related works or other investigations that fall outside of the scope of the AGAR related internal audit activity, the internal auditor may be invited to quote should they wish, alongside other suitably qualified parties.

It was **AGREED** that with the addition of the two items above being added to the terms of reference, Duncan Edwards of DKE Audit Services continue to act as the Town Council's internal auditor for a further two years covering the financial years 2023/24 and 2024/25, and with the option for one more year in 2025/26 subject to both parties agreeing.

**14. YEAR END 2022/23 – INTERNAL AUDIT REPORT AND ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN**

The Town Clerk gave a verbal report on the Year End 2022/23 internal audit report and Annual Governance and Accountability Return, saying that following approval of the Year End accounts by Full Council, all required information had been published. The deadline for comments had now passed. The External Auditor's report was expected to be received in September.

**15. BUSINESS CONTINUITY**

The Internal Auditor had raised the issue of risks to business continuity and suggested that committee look at this with a view to creating a policy. The Town Clerk distributed an example policy to members along with a list of major risks to business continuity such as loss of key staff, loss of IT systems and electronic data and damage to Town Council premises and equipment.

Members discussed these points and decided it would be a good idea to create a policy. It was agreed that a separate meeting be scheduled for this, and the Chair asked that members in the meantime considered the information and brought ideas to the next meeting, so that a draft policy could be formulated.

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

It was **AGREED** that the next meeting of the Audit Committee would be on Wednesday 25 October 2023 at 6.00 pm.

The meeting ended at 6.50 pm

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(Chairman)