

REPORT TO FINANCE COMMITTEE

COMMUNITY WORKING GROUPS

Report Reference F-22-01
Meeting Date 23rd May 2022
Agenda Item 8
Prepared by Town Clerk



1.0 BACKGROUND

This meeting is the first in the new civic year. The committee is directed to reappoint working groups reporting to it.

The committee is also required to review the terms of reference of the Internal Audit working group at the first meeting of a new civic year. These are provided in the appendix.

2.0 COMMITTEE WORKING GROUPS

2.1 INTERNAL AUDIT WORKING GROUP

Purpose To undertake reviews of the council's internal control processes.

Previous Membership Cllrs Malloy, McCulloch and Morris

2.2 BANKING AND INVESTMENTS WORKING GROUP

Purpose To provide oversight in the placement of investments.

Previous Membership Cllrs Forbes and McCulloch

2.3 SMALL GRANTS REVIEW WORKING GROUP

Purpose To review applications for donations and small grants under the council's community grant scheme and produce a recommendation to the Finance Committee.

Previous Membership Cllrs Forbes, Houghton and Morris.

3.0 DECISIONS REQUIRED

The committee determine the appointment of members to working groups.

The committee should review the terms of reference of the internal audit working group.

APPENDIX: INTERNAL AUDIT WORKING GROUP TERMS OF REFERENCE

1. The 'Internal Audit Working Group' membership shall be determined by resolution of the Finance Committee at the first meeting in the new mayoral year with casual vacancies filled during the year as they arise by further resolution.
2. The 'Internal Audit Working Group' shall comprise three members from the Finance Committee and Personnel Committee, with at least one member from each.
3. The quorum for the 'Internal Audit Working Group' will be two members (note 4 below).
4. The Internal Audit Working Group does not have delegated powers to make decisions on behalf of the Finance Committee or the Town Council.
5. The 'Internal Audit Working Group' shall produce a quarterly report to the Finance Committee at its next meeting to include its findings from the audit and recommendations for improvements to the financial stewardship. It is acceptable for the Q4 audit to be delayed due to the external audit process.
6. In carrying out the quarterly audit the working group should make reference to
 - 10% of debit entries
 - 10% of credit entries
 - Full paper trails for the above
 - Evidence of compliance with Financial Regulations in all of the above.
 - Outstanding debts owed to the council
 - Evidence of debit entries being sanctioned.
 - Bank statements agreeing with the closing balance on the financial report (bank reconciliation report).
 - An annual review of the certified asset register and a quarterly review of payment schedules to ensure that any assets purchased within the period are included on the register.
 - Reporting on actions taken on the points raised by the previous report
 - Accounting and financial record keeping where appropriate
 - 1 in 20 checks of completed BACS payments to compare the payment details with the account details on invoices.
 - Complaints
 - Employee leave, absences and flex records
7. The members of 'Internal Audit Working Group' should report any serious matters e.g. suspected maladministration or misappropriation of funds immediately to the Chairman of the Finance Committee who should, in turn, bring the matter to the attention of the Town Mayor.

8. The Terms of Reference for the 'Internal Audit Group' shall be reviewed annually at the first meeting of the Finance Committee in the new mayoral year.
9. That the Internal Audit Working Group report its findings to the Responsible Financial Officer for remedial action as appropriate.