



## **Notes of the Meeting of the Internal Audit Task and Finish Group held on Tuesday 6th September starting at 10 am and held in the Council Offices.**

Present:

Cllr L Edwards -Shea; Cllr Smith; Cllr Suiter; Cllr Parry; Cllr Offer; Cllr Thomas

### **Agenda Item 1 - Welcome**

Cllr L Edwards-Shea welcomed all to the meeting

### **Agenda Item 2 - Apologies for Absence**

Apologies received from Cllr Darmon.

### **Additional Agenda Item 2a - Group Lead**

Cllr L Edwards-Shea informed the meeting that her current workload as Chair of the Council was significant and that as such she felt she wasn't able to give the time required to lead this group. She asked to step down, as Lead, but would stay a member; she advised a new Group Lead would need to be selected and proposed to the new leader, Cllr Smith. This was seconded by Cllr Offer. **ALL AGREED..**

Cllr Smith took the lead of the meeting.

### **Agenda Item 3 - Review of the Notes from the Meeting on 19 Aug 22.**

Notes of the meeting held on 19 Aug 22 were reviewed and agreed.

### **Agenda Item 4 - Outstanding Actions from the last Meeting**

#### **Internal Audit Checklist No 15.**

- GDPR Policy Cllr Smith advised that a link on the Town Council Homepage now existed linking people directly to our GDPR policies. **ITEM CLOSED**
- Cllr L Edwards-Shea (post her meeting with website provider) to establish if staff training is required. It was agreed that further staff training would be a

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Original Signed: *Cllr M A Smith*

good thing and Cllr L Edwards-Shea would propose a solution. Cllr L Edwards-Shea advised that she may have a solution to this involving a local individual with Town Council IT experience who was willing to provide training - she will report back. ONGOING.

- Cllr L Edwards-Shea would discuss with the Deputy Clerk to the Council who fulfils the role of Data Protection Officer. Cllr L Edwards-Shea advised that our Dep Clk filled this role and as such, following her retirement, a new DPO would be required. This might be a function that one of the office staff could fulfil. Further it was felt that there may be a legal requirement for a named DPO to be listed on the Council website. This item would be dealt with by the HR Committee.

### Internal Audit Checklist No 62.

- Annual Appraisals of the Deputy Clerk and Office staff had been completed, appraisal for the Services Team Leader had also been completed with Services team to follow. ITEM CLOSED.
- Cllr L Edwards-Shea to was to establish when the HR Advisors current contract started/expired and if our HR Advisor can support a full review of all posts, a time-frame, recommendations and at what additional cost. Item remains ONGOING
- Who fulfils the role of HSE Officer, First Aider and Fire Marshal? This was also the Dep Clerk and therefore new individuals were sought, possibly from the Office Staff or Services Team. Cllr L Edwards-Shea would continue to investigate and report back.
- HSE as an Agenda Item for Full Council. In response to a suggestion from Cllr Parry, Cllr Smith would email Melanie and ask for HSE to be included as an Agenda item for the next Full Council.

### Medium Risk Items

#### Internal Audit Checklist No 1

- Standing Orders to have a Full Comprehensive Review - HR Committee to Review and report back to Full Council. This will remain ongoing with HR who would advise when complete. Cllr L Edwards-Shea advised that Melanie Waddington had shown a willingness to assist with this task. ITEM CLOSED.

#### Internal Audit Checklist No 2

- Financial Regulations to have a Full Comprehensive Review - Cllr Smith would discuss this matter with the Temporary RFO. The Temp RFO is currently looking at the Financial Regs to make sure it meets the Council's needs, formally documents current practices (e.g., internal transfer of the Precept monies (£300,000+) - Regs currently limit transfers to £25,000), and annotates which roles are done with the RFO 'hat on' and which are under the Clerk 'hat'. We need to do this as it's currently 2 separate roles but also makes it easier for everyone to understand the responsibility of the roles (and

helps if different people are covering the 2 roles during absences/holidays/sick, etc).

Cllr Smith asked the Temp RFO. This might be a significant piece of work, but as a group we are keen to NOT leave everything to the new Town Clerk - it would simply be overwhelming and take too long. In your view, could this be achieved by a small group - supported perhaps by either you, Mel or both?

Response: Tasks like reviewing the Financial Regs and Standing Orders should ideally be up to date when the new Clerk starts (so that they know what they need to do and can/can't do). It's the responsibility of the Council to have up-to-date documents in place and deferring everything to when the new Clerk is in post isn't a valid excuse in the eyes of the Auditors (and possibly the public). Aside from keeping them up to date with the latest legislation, reviewing these documents would be something the Clerk would look at during their first year or ahead of Council Review. Action: Cllr Smith would commence, with support from others as required, a review of the Financial Regulations and report back.

### Internal Audit Checklist No 3

- TORs for Panels to have a Full Comprehensive Review - *It was noted that the first item a Panel Lead would address is the Panels TORs so there was confidence that these are accurate. Nevertheless it was suggested that the latest edition of each Panel TORs should be sent to the former Lead for review and proposed amendments. Agreed - ONGOING now with Cllr Smith.*

### Internal Audit Checklist No 8 (and 62 covered under High Risk on 9 Aug 22 meeting

- Council to consider construction and adoption of an Investment Strategy to aid future budgetary provision, project delivery, general/earmarked reserves and protection of Public Monies - *It is understood that the Temp RFO is currently reviewing this item. Cllr Smith would discuss with the Temp RFO.*

*Cllr Smith asked the Temp RFO: can you advise that the right Bank Account (interest paying) etc is something you could assist with but is actually creating an investment strategy for long term growth something a financial advisor should help with?*

Response: As part of FC approving the Reserves Review (in terms of movements, holdings, and accounts), I (RFO) will be looking at other bank account options to make sure our Earmarked Reserves/Capital holdings are in interest earning accounts; I'm currently waiting for a date for a telephone meeting with the HSBC Business Banking Manager to discuss options.

I'm not qualified to give formal financial advice but can certainly identify what accounts are available for Councils. However, if the Council is considering

investment in high interest Stocks & Shares, once the level of risk, investment period and amount has been identified, an in-house detailed look at the legislation for doing this with public funds would be required, followed by independent financial advice to identify the best ones within the permitted options. It was agreed that we would await the Temp RFO's report to full council. **ITEM CLOSED**

#### **Internal Audit Checklist No 11**

- Staff Pay Policy - No actual Pay Policy exists for staff pay . Staff employed under NJC contracts and salaries considered (amounts only) as part of budget process - **ONGOING with the HR Committee.**

#### **Internal Audit Checklist No 28**

- VAT - Evidence of reclaiming - This item is ongoing with our Temp RFO - Cllr Suiter advised that a thorough understanding of VAT was a critical criteria of the HR Committee's recruitment process for a new Town Clerk. All candidates for the Town Clerk has sufficient understanding. **ITEM CLOSED.**

#### **Internal Audit Checklist No 34**

- Earmarked reserves to be reviewed - *It is understood that the Temp RFO is currently reviewing this item. Cllr Smith would discuss with the Temp RFO.* **Response: This is in progress with the Temp RFO following Council approval at the last meeting. ITEM CLOSED.**

#### **Internal Audit Checklist No 59**

- Backup of files currently to 'O' Drive, to be discussed with IT provider - *Cllr L Edwards-Shea would discuss this matter with staff.* **This was partly resolved but Cllr L Edwards-Shea would finalise and report at the next meeting - including where our data was actually stored (on site, web developer, cloud etc).**

#### **Internal Audit Checklist No 62**

- Chairman is also the Acting Proper Offer and there may be an issue in respect of signing the AGAR 2021/22 - *Cllr Smith would discuss with the Temp RFO.* **REMAINS ONGOING, but was to be included on the council's Risk Register.**

#### **Internal Audit Checklist No B2**

- Burials - last review of fee 2018 - *Any changes would need to be presented for approval to Full Council. Cllr Smith would seek to obtain an 'average' cost from local authorities in Lincolnshire and update.* **This item REMAINS ONGOING.**

## Internal Audit Checklist No B5

- Cemetery Regulations - last review 2018 - *Services Panel (once re-established) would review supported by Services Supervisor.* **ITEM CLOSED.**

### Agenda Item 5 - Review of Risk Register

The Risk Register - last updated in January 2022 - was reviewed by the group. It was agreed that **RED** risks would be considered at this meeting, and that, at the next meeting, **ORANGE** would be reviewed. Agreed. **ONGOING Cllr Smith.** Following which, the Risk Register would be presented for review to the Full Council at the October meeting. **AGREED.**

### Agenda Item 6 - AOB

Cllr L Edwards-Shea advised that very shortly, parts of 'Handley Chase' development 'Public Spaces' would be handed over to Council. It included trees. The Group considered the following was required:

- Approach NKDC to ascertain if the 'Tree Officer' could support to ensure trees were in good condition prior to handover. **Cllr L Edwards-Shea.**
- That the Council consider creating (if it doesn't exist) a Register of Council Trees. This may provide a significant piece of work so will be considered in slower time. **Cllr Smith would discuss with the Services Team Lead.**

### Agenda Item 7 - Date of Next Meeting

The next meeting would be held on 20 September starting at 10 am. The meeting closed at 1203 pm.