

The following recommendations were made:-

1. *A pending file be set up in date order where all correspondence obtained from staff and possible witnesses be held until it is certain that no claim will be made. These files to be stored in the locked fire cupboard for added security.*
2. *The policies and potential and actual claims should be held securely with limited access by staff other than the Finance Manager and Town Clerk.*
3. *This audit supports the idea of a new building revaluation taking place to take advantage of the 50% cost reduction negotiated by the Finance Manager. This will ensure that the Authority has an up to date buildings valuation at half the cost of having one carried out.*

(b) **West Cemetery**

This audit was to evaluate the systems for collecting income relating to burial fees, exclusive rights and memorials. The period used was from the 1st April 2011 to the 30th June 2012.

There were no recommendations to be made.

(c) **Stephenson Way Cemetery**

This audit was to evaluate the systems for collecting income relating to burial fees, exclusive rights and memorials. The period used was from the 1st April 2011 to the 30th June 2012.

There were no recommendations to be made.

(d) **Market**

The object of the audit was to ensure that:-

- (i) New contracts had been drawn up for both the renting of the land and the management of the market as the old ones expired in May 2012 and that they had been approved by members.
- (ii) All monies due to the Council under the market agreement had been paid.
- (iii) All monies to be paid out for the market had been paid.
- (iv) Standards had been laid down by all parties for the effective running of the market.
- (v) To ensure that the Council does not lose money by operating the market.

The market was running on a small surplus and sufficient rules and regulations were in place to cover all aspects of its running. Income and expenditure had been duly made.

There were no recommendations to be made.

(e) **Ordering and Payments for:**

Environment Centre - an audit was undertaken to establish whether the Authority's Financial Regulations were being followed and items had been correctly coded and were relevant to the Environment Centre.

There were no recommendations to be made.

Pre-Schools – an audit was undertaken to establish whether the Authority's Financial Regulations were being followed with items being correctly coded and were relevant to the Pre-Schools.

There was evidence that the system of internal control in relation to the ordering and receipt of goods at the Pre-School was strong.

There were no recommendations to be made.

(f) **Risk Management**

A Risk Management Strategy and Policy had been introduced in March 2007 and updated in May 2010. This policy linked to the Medium Term Financial Plan. Risks identified throughout the Council are reviewed regularly by the Management Team and reported to members through this Sub-Committee.

The risk management process within the Council was considered to be well-managed. Risks are identified by officers within the Council prior to a decision being requested from Committee and, if approved, they are added to the risk register. Risks are monitored by the Performance Management Group under the auspices of the Risk Management Policy and reported to this Sub-Committee quarterly. Annual risk reviews are reported to the Policy and Resources Committee each year.

There were no recommendations to be made.

(g) **Tendering and Procurement**

The following areas were examined:-

- (i) Whether the financial thresholds in the Councils Standing Orders for Contracts were being observe.
- (ii) Had authorisation for all capital expenditure been given by either an appropriate spending Committee or Policy and Resources and whether they were ratified by Full Council before the expenditure had taken place.
- (iii) Whether there was evidence that the full cost of the project had been investigated, including any revenue costs, with quotations for works obtained, specialist knowledge and works project managed.
- (iv) Expenditure relating to contract works recorded and monitored to ensure budgets are not overspent.
- (v) Invoices checked and properly certified and authorised for payment on Council orders or via. a signed contract.

The following projects were considered during the audit of this area:-

- Moore Lane Changing Rooms
- Oakleaf Sports Complex Indoor Bowls Lighting
- Replacement Vehicles
- Running Track Surfacing Works
- Play Area Surface Repairs
- Simpasture and Horndale Asbestos Survey and Removal
- Oakleaf Sports Hall and Bowls Hall Redecoration

There were no recommendations to be made.

(h) **Capital Accounting and Year End Procedures**

A review of the systems relating to the production of the financial accounts for the financial year 2012/13, including capital accounting was undertaken as part of planned audit works.

Capital Accounting:

- (i) Up to date asset register
- (ii) A de-minimus policy is in place for the asset register and that this can be demonstrated.
- (iii) To ensure that:
 - There is a system for recording additions and disposals to the asset register.
 - There is a link between the nominal ledger and the asset register.
 - There is a reconciliation between the asset register and nominal ledger and opening and closing gross/net book values.
- (iv) To establish the method of depreciation used and check that the register reflects the correct method.
- (v) A Capital Plan is in place which illustrates the priorities of the Council.

Year End Procedures

- (i) A year-end closedown is communicated to all necessary staff.
- (ii) A sample of debtors/receipts paid in advance and tested to ensure they are processed correctly and adjustments made.
- (iii) Creditor/prepayments tested to ensure they are processed in the correct year and adjustments made.
- (iv) A review of the cash book and bank accounts to ensure reconciliation and cash floats verified. Cash in transit at year ends identified and accounted for.
- (v) Closing stock checked to ensure it was accounted for.

There were no recommendations to be made.

On-going Internal Audits

The following Internal Audits are ongoing during the year and this report is to update Members on the progress work undertaken and whether there are any matters which needed to be brought to Members attention.

- (i) **Oak Leaf Sports Complex**
Internal controls for orders and stock were reviewed and tested. Cleaning and Sports Stocks were checked.

There were no recommendations to be made.

- (j) **Bar and Catering – Oakleaf Sports Complex**
Internal controls for the ordering of food and bar stock were checked and percentage on Gross Profits were set out.

There were no recommendations to be made.

- (k) **Oakleaf Golf Complex**
Checks were carried out on all aspects of the collection of income relating to the Golf Season Tickets. Driving Range income was also monitored and tokens incomes taken.

Discrepancies to date have been raised with the Golf Professional. The Golf Working Group would discuss this issue at its next meeting.

- (l) **Salaries and Wages**
Audit work had been undertaken on wages and salaries from May to September 2012 together with expense payments.
New starters and leavers had been reviewed and checked and found to be accurate.

There were no recommendations to be made.

RESOLVED – that it be recommended:

- (i) That the report be received.
(ii) That the recommendations be noted.

12. **RISK ASSESSMENTS**

The Town Clerk had submitted his report on which members considered any items that had been entered into the Register of Risks on activities and proposals at relevant Committees.

The following risk had been entered into the Risk Register since the previous meeting:-

“Pre-School Learning Centres – Staffing”
Policy and Resources Committee – 11th July 2012.

There were no high business risks to review since the last report on the ‘Business Risk Register’.

RESOLVED – that the report and information be noted.

CHAIRMAN.