

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 20th JANUARY 2016** at **6.00 p.m.**

PRESENT **Councillor M. Dalton (Chairman)** and
Councillors A.M. Chandran, Mrs. M. Dalton, G.C. Gray, B. Hall,
M. Iveson and Mrs. S.J. Iveson.

OFFICERS Mr. A. Bailey (Town Clerk)
Mr. B. Wilkinson (Internal Auditor)
Mr. D. Austin (Finance Manager)
Miss C. Ryder (Senior Admin. Officer)

8. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted by Councillors J.P. Hillary and Mrs. W.P. Hillary.

9. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

10. **MINUTES**

It was proposed by Councillor B. Hall, seconded by Councillor A. Chandran and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee held on the 28th October 2015 be confirmed as a correct record.

11. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report to update Members on the work completed by him for the period 1st October 2015 to 31st December 2015.

The Audit Plan set out that 65.81 days had been achieved out of the 90 days up to the end of December and stated that the Plan was on target. Full details of the days had been set out in Appendix 1 to the report.

The following internal audit reports had been completed since the last Audit Sub-Committee:-

(a)	Debtors	(Appendix 2)
(b)	Complex – Ordering & Receipt of Goods	(Appendix 3)
(c)	Aycliffe Festival	(Appendix 4)
(d)	Environment Centre	(Appendix 5)
(e)	Firework Display	(Appendix 6)
(f)	Works Budget Monitoring	(Appendix 7)
(g)	Cash Control and Banking	(Appendix 8)

A full description of the audit works carried out on each of these sections was set out in the Appendices to the report.

The Internal Auditor had made recommendations on 4 out of the 7 reports and these are set out below:-

- (a) Debtors (4 Recommendations)
- (i) That invoice requisitions are date stamped when they arrive either at the Central Office or Finance. The agreement made at an earlier audit had not worked as evidenced by the number of requisitions that were not date stamped.
 - (ii) Prices for raised beds to be included in the Authority's scale of Fees and Charges and reviewed along with all other charges annually.
 - (iii) The overpayment of £7 by Voyage Care be deducted from one of their future bills from the Council for the use of the Complex.
 - (iv) The use of debtor invoice requisitions and those to be authorised be investigated when the policy is next reviewed along with the authorisation of credit notes before they are implemented.
- (b) Complex – Ordering and Receipt of Goods (2 Recommendations)
- (i) Orders to be raised before the invoice is generated and the G.R. note be checked against the priced order and the invoice once they arrive in order that they can be checked to both.
 - (ii) No one Officer should carry through a financial transaction from order to payment.
- (c) Aycliffe Festival (7 Recommendations)
- (i) Grant requests should not be accepted after the closing date.
 - (ii) Attention to be paid to the way that the Festival is advertised as many of the feedback respondents were unaware that the Festival was taking place.
 - (iii) Competitive quotations to be sought on a regular basis to ensure that prices being quoted by suppliers reflect the best value.
 - (iv) Move the 2 amounts of income from the expenditure code to the income code 9404 R003.
 - (v) Ensure that the grant awarded to Newton Aycliffe Youth and Community Centre of £500 for the Inter-Generational Showcase is paid to them and that formal approval is given to the award of £499 to the Rotary Club for their Community Fair.
 - (vi) Ensure that all insurance is up to date when applying for a grant and is still in date when the events are held.
 - (vii) Feedback was sporadic with only 52 responses and fewer from the organisers of the events. Feedback from both areas to be a condition of grant and is required after each event for which the grant had been approved. This would help the organisation and choice of future events.

(d) Environment Centre (3 Recommendations)

- (i) Inventory items of value to be identified by make (where any make is visible), model and registration number to enable assets to be easily identifiable from any others.

Vehicle YH04 KCU to be added to either the Eco inventory or the Works inventory depending on where the vehicle would be used in the future.

Items held for third parties on the premises to be identified separately on the inventory and as belonging to those third parties.

- (ii) Orders need to be raised using the cost of goods ex VAT i.e. the net price.
- (iii) The current Petty Cash Imprest in use at the Eco Centre would not be required and would be repaid.

On-going Internal Audits

The following audits have now commenced and will be on-going throughout the year. Interim reports will be made on these sections to each Audit Sub-Committee with a final report being issued by the 31st March 2016.

- (a) Sports Complex
(b) Bar and Catering
(c) Golf Complex
(d) Salaries and Wages

RESOLVED – as follows:-

- (a) That the report be received.
- (b) That recommendation (c) (i) of the Festival notes should allow for grant applications being accepted up to the date of the Festival if appropriate.
- (c) That the recommendations and comments are noted and that actions had been implemented.

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 undertaken and entered on to the Council's Risk Register:-

Computer Network Infrastructure Renewal

Policy and Resources Committee – 21st October 2015.

The Performance Management Group had undertaken a review of the High Risks in the Risk Register on the 18th December 2015. There had been no changes to report. A copy of the document was attached for members information.

RESOLVED – that the report and information be noted.

CHAIRMAN.