

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 29th FEBRUARY 2012 at 6.00 p.m.**

PRESENT **Councillor W. Iveson (Chairman)** and
Councillors Mrs. D. Bowman, J.D. Clare, Mrs. M. Dalton, P.
Ducker, B. Hall and Mrs. V.M. Raw.

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

13. **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

14. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

15. **MINUTES**

It was proposed by Councillor B. Hall, seconded by Councillor Mrs. V.M. Raw and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee held on 19th October 2011 be confirmed as a correct record.

16. **ANNUAL REVIEW OF INTERNAL AUDIT SERVICE**

The Finance Manager and Town Clerk submitted a report to enable to Audit Sub-Committee to undertake the annual review of the effectiveness of the Council's Internal Audit Service for the 2011/12 financial year, as required by the Accounts and Audit Regulations.

The effectiveness of the internal control is incorporated into the review of the Council's effectiveness of the corporate governance arrangements and documented in the annual Governance Statement. This Statement is reported to the Policy and Resources Committee and Full Council in June along with the Council's 2011/12 Statement of Accounts.

RESOLVED – that it be recommended:

- (i) That the report be received.
- (ii) That the Audit Sub-Committee receives the information set out in the report and that the effectiveness of the of the Council's Internal Audit Service for 2011/12 be accepted.
- (iii) That the outcome of the Audit Sub-Committee review of the effectiveness of the Internal Audit Service be taken into account in the Council's 2011/12 Annual Governance Statement.

17. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report setting out details of the work he had completed for the period 1st October to 31st December 2011.

The Audit Plan had achieved 66 days out of 90 for the period to the end of the calendar year and is on target. A breakdown of the plan was attached for information.

Internal Audit Reports

The following audits had been completed since the last Audit Sub-Committee and the report gave full details of each section:

(a) **Asset Management**

An audit review was carried out as part of the planned work for 2011/12 and covered the following areas:

- A review of asset management arrangements within the Council.
- Inventory checks for the Sports Complex, Council Offices, Learning Centres and Works Department.

Major capital assets such as buildings, vehicles, plant, play equipment and machinery are recorded on the Council's Fixed Asset Register. Detailed inventories are also maintained for each service area and included additions and write-offs during the year.

Full checks on inventories had not been made on all service areas, however, the Works Section, Council Offices and I.T. had been checked.

The following recommendations were made:-

- (i) *That inventory items under £25 for Offices be not entered onto an inventory list and items under £300 for the Works Department be not entered unless the Works Manager wished to record them.*
- (ii) *That computer equipment serial Nos. were checked and noted more accurately.*
- (iii) *That a standard inventory of items be set up that would apply to an officers work-station and would eliminate the number of small items on the inventory.*
- (iv) *That the current write-off procedure to be re-examined and implemented.*
- (v) *That the Golf Complex inventory be amended for vehicles and machinery such as golf buggies, utility vehicles and ball collection should be transferred to the Works Section inventory and the golf complex inventory updated.*

(b) **Risk Management**

An audit review was carried out as part of the planned audit work on Risk Management following the production of the Risk Management Strategy and Policy updated in May 2010.

Reports and minutes were examined to confirm that policy decisions taken had been risk assessed.

The risk management process within the Council is considered to be well managed. The risks are monitored by the Performance Management Group. The Audit Sub-Committee is informed of new risks by the Town Clerk in his quarterly report.

The following recommendation was made:-

That formal risk training should be given to all Members of the Council and the Town Clerk would look at organising a relevant course.

(c) **Tendering and Procurement**

As part of the annual audit plan a review was undertaken of the processes and systems involved in the procurement of goods, services and works necessary to undertake the 2011/12 Capital Programme.

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

- Byerley Park Play Area
- Oakleaf Sports Complex Access Road and Car Park
- Driving Range Utility Vehicle
- Replacement IT Equipment
- St. Oswald's Allotment Fencing
- Play Area Surface Repairs
- Town Park Play Area

There were no recommendations to make.

(d) **Cash Control and Banking**

The Audit was undertaken as part of the planned audit work for 2010/11 of the procedures in place and in relation to the collection and banking of cash within the Council.

There were no recommendations to make.

(e) **Senior Citizens Excursions**

An audit was undertaken as part of the planned work for 2011/12 on the Senior Citizens Excursions. The audit covered the following:-

- Financial Management and Control of the Budget.
- Expenditure on Coaches and Refreshments
- Control and management of applications for the trips to ensure that all people are over 60 years of age and live in Great Aycliffe.

The following recommendations were made:

- (i) *That VAT invoices be obtained for the escort services provided by the bus company.*
- (ii) *That refreshment VAT receipts be forwarded to this Authority in order that we can make the claim for VAT.*

On-going Internal Audits

Councillor Mrs. M. Dalton joined the meeting at this point.

The following audits have commenced and are ongoing during the year. The report gave an update on the progress of the work undertaken.

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

RESOLVED – that it be recommended:

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

18. **RISK ASSESSMENTS**

The Town Clerk had submitted the report on which members considered any items which had been entered in the Register of Risks on activities and proposals at relevant committees. There had been no risks added to the list since the last Audit Meetings.

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

RESOLVED – that the report and information be noted.

CHAIRMAN.