

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 14th JULY 2011** at **6.00 p.m.**

PRESENT Councillors J.D. Clare, Mrs. M. Dalton, P. Ducker, B. Hall, M. Iveson and W. Iveson.

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

1. **APPOINTMENT OF CHAIRMAN**

It was proposed by Councillor J.D. Clare, seconded by Councillor Mrs. M. Dalton and

RESOLVED – that Councillor W. Iveson be appointed Chairman of the Audit Sub-Committee for the Municipal Year 2011/12.

2. **APPOINTMENT OF VICE-CHAIRMAN**

It was proposed by Councillor M. Iveson, seconded by Councillor Mrs. M. Dalton and

RESOLVED – that Councillor B. Hall be appointed Vice-Chairman of the Audit Sub-Committee for the Municipal Year 2011/12.

3. **APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Mrs. V.M. Raw.

4. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

5. **MINUTES**

It was proposed by Councillor B. Hall, seconded by Councillor M. Iveson and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee held on 6th April 2011 be confirmed as a correct record.

6. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report setting out details of the work he had completed for the period 1st April to 30th June 2011.

The Audit Plan had achieved 22 days out of 90 for the first quarter and is on target. Full details of the current position of the plan was set out on an attached appendix.

Internal Audit Reports Issued in 2011/12

The following audits had been completed since the last Audit Sub-Committee:

(a) **Capital Accounting / Year End**

A review of the systems relating to the production of the year end accounts for 2010/11 including capital accounting had been carried out.

There were no recommendations to make.

(b) **VAT**

Work had been carried out on the system in operation for producing and submitting quarterly VAT returns and their accuracy.

Information had been given via a training course that it was now possible to reclaim VAT on petty cash items up to £100 without a VAT receipt or invoice providing it was clear that the item purchased was subject to VAT. This will assist officers to maximise VAT recovery in respect of future petty cash purchases.

There were no recommendations to make.

(c) **Fuel Usage**

An audit had been carried out on the use of fuel within the Works Section.

Fuel is obtained via the use of a card and followed up by an invoice being sent to the Authority monthly to be checked with garage receipts. It was noted that some of the receipt had not been forwarded to the Finance Office and the fuel record books were not in the same format and fuel for the Town Park and St. Oswald's should not be recorded in the depot fuel logbook.

The Works Manager had taken immediate action to rectify the problem.

The Civic Car fuel slips also needed to be passed immediately to the Finance Office and registration numbers on receipts must be corrected at the time the fuel is purchased.

Recommendations to be taken:

Fuel for the Town Park or St. Oswald's Park should not be recorded in the depot fuel logbook.

Receipts for fuel purchased be forwarded to the Finance Office on a regular basis.

Fuel record books to be produced in the same format.

Overall fuel is reasonably well controlled and documented and the recommendations made will strengthen the control.

(d) **Football Pitch Income Collection**

The audit looked at the letting of football pitches throughout the Council area.

It focused on the applications received, Council approval and invoices and prices being charges.

There were no recommendations to make.

(e) **West Cemetery**

An audit undertaken on West Cemetery records was to evaluate the systems for the recording and collection of income for burials, exclusive rights and memorials.

Three copies of the burial plans were kept at the Cemetery site, the main ledger, a copy and a working copy attached to a board for stability when on site. It was felt that the duplicate copy should not be kept on site and the Works Manager had agreed and acted on this immediately.

The computerised records needed to be updated on a more regular basis.

The service is carried out effectively but would benefit from the following recommendation.

Recommendation to be taken:

The computerised records should be updated on a more regular basis which would remove the need for a duplicate manual record.

On-going Internal Audits

The following audits are ongoing during the year and the report was to update Members on the progress of work undertaken to date along with any matters arising.

(a) **Oakleaf Sports Complex**

The audit was carried out to examine:

- Income
- Cash Control
- Stores and materials of sports, electrical spares & cleaning materials.
- Ordering and receipt of goods.

There were no issues arising from the audit.

(b) **Bar and Catering – Oakleaf Sports Complex**

The audit was carried out on internal controls of ordering. Checks to stock cards and invoice traces.

The new stocktaker had pointed out that spirit supplies were being paid for at a higher rate and it was hoped that a new supplier agreement with a new company would alleviate this.

Gross profit percentages for catering and the bar had been looked at.

There were no issues arising from the audit.

(c) **Oakleaf Golf Complex**

Checks had been carried out on the collection of income from season tickets and memberships monitored. The driving range income had also been checked with tokens in the machine.

There were no issues arising from the audit.

(d) **Salaries and Wages**

Checks had been made on travelling expense payments. Telephone allowance payments could not be claimed back the VAT on the current rental of phone lines.

New starters and leavers on the payroll had been reviewed and checked.

There were no issues arising from the audit.

RESOLVED – that it be recommended that the report be received and the recommendations noted.

7. **RISK ASSESSMENTS**

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

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

- (a) Changes to the Accounts and Audit Regulations 2011
Policy and Resources Committee – 13th April 2011
- (b) Horndale Youth Shelter – Recreation Committee – 25th May 2011.

The report also informed the Sub-Committee that there had been no high business risks to be reviewed since the last meeting.

RESOLVED – that the report and information be noted.

CHAIRMAN.