

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 9th APRIL 2014** at **6.00 p.m.**

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

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

15. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors M. Dalton and W. Iveson.

16. **MEMBERS' DISPENSATIONS**

There were no applications for dispensations submitted.

17. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

18. **MINUTES**

It was proposed by Councillor A.M. Chandran, seconded by Councillor G.C. Gray and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee held on the 11th December 2013 be confirmed as a correct record.

19. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report setting out details of the work he had completed for the period 1st November 2013 to the 31st March 2014 which was the final completed report for the 2013/14 year.

Details of the current position of the Plan broken down by Committee and service area and detailing the actual days spent on each individual audit was attached as Appendix 1 to the report.

Internal Audit Reports

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

- (a) Budgetary Setting and Budgetary Control
- (b) Asset Management
- (c) Pre-Schools Income Collection and Funding Claims
- (d) Budget Monitoring - Works
- (e) Debtors
- (f) Creditors
- (g) Environment Centre
- (h) Santa Tours
- (i) Cash Control and Banking

The following audits are undertaken throughout the year. Interim reports had been made to the Sub-Committee during the year and the final reports had now been submitted:

- (j) Sports Complex
- (k) Bar and Catering
- (l) Golf Complex
- (m) Salaries and Wages.

(a) **Budgetary Setting and Budgetary Control**

An audit was undertaken on the Budget Monitoring during this financial year with most of the work focused around the budget setting process for 2014/15.

There were no recommendations to be made.

(b) **Asset Management**

The audit covered a review of asset management arrangements with the Council together with an examination of some of the Council inventories.

Inventories and write-offs for the following departments had been carried out:- Council Offices, IT Section, Works Section, Sports Complex and Golf Complex.

The following recommendations / matters arising were made:-

- (i) *Film cameras at the Complex and Council Offices should be disposed of as they are not used as they are replaced by digital equipment.*
- (ii) *Existing inventories need to be revised to reflect the results of the test checks undertaken.*
- (iii) *Inventories should be updated as and when new items are added or removed from use and when new items are added the cost and date of purchase to be entered.*
- (iv) *A new inventory showing all of the items in the Golf Complex that the Council is responsible for to be drawn up.*

(c) **Pre-School Income Collection and Funding Claims**

An audit was undertaken of the financial operations of the pre-schools. This included Financial and Budgetary control, income collection and banking, cash control, grant claims milk issues and receipts and the purchase of goods and services.

There were no recommendations to be made.

(d) **Budget Monitoring - Works**

The audit was undertaken on the budget monitoring process for the Works division.

There were no further recommendations to be made.

(e) **Debtors**

The audit had taken into account the debtors system operating in the Council ensuring that all income due to the Council had been collected with invoices being raised.

Concerns were raised on the outstanding invoice payments of 91 and 139 days at the Sports Complex for room hire.

Whilst there were no recommendations to be made it was felt that the Council's payment terms should be reinforced.

(f) **Creditors**

An audit of creditor payments had been carried out taking into account:-

- Placing of orders
- Regular payments
- Cashbook cheques and their security and control
- Setting up of new suppliers accounts
- Payment of invoices by cheque, BACs and Direct Debit
- Accountability and Reconciliation
- Credit cards

There were no recommendations to be made.

(g) **Environment Centre**

An audit had taken place on the ordering and receipt of goods, budgetary control, and petty cash for the environment centre.

There were no recommendations to be made.

(h) **Santa Tours**

An audit review had taken place on the Santa tours in 2013 taking into account the ordering and expenditure for the event.

There were no recommendations to be made.

(i) **Cash Control and Banking**

An audit had been undertaken on the procedures in place relating to the collection and banking of cash within the Council.

There were no recommendations to be made.

On-going Internal Audits

The following internal Audits are ongoing throughout the year and this report was to update members on the progress of the work undertaken and whether there were any matters arising that need to be brought to the members attention.

(j) **Oakleaf Sports Complex**

The overall audit opinion is that the systems examined have strong internal controls and there were no recommendations.

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

The report set out works ongoing throughout the year.

There were no recommendations to make.

(l) **Oakleaf Golf Complex**

There were no recommendations to make.

(m) **Salaries and Wages**

There were no recommendations to be made.

RESOLVED – that it be recommended:

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

20. **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 along with the Business Risk Register.

There had been no risk assessments carried out since the last meeting of the Audit Sub-Committee.

The Business Risk Register had been considered by the Performance Management Team at their meeting on the 13th March 2014 and a copy of the full review for the year end was attached for the Committee's information.

RESOLVED – that the report and information be received.

CHAIRMAN.