

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 5th APRIL 2017** at **6.00 p.m.**

PRESENT Councillors M. Ashcroft, A.M. Chandran, G.C. Gray, B. Hall, J.P. Hillary and Mrs W.P. Hillary

OFFICERS Mr. A. Bailey (Town Clerk)
Mr. B. Wilkinson (Internal Auditor)
Mr. D. Austin (Finance Manager)
Miss A. Donald (Town Clerk's PA)

9. **CHAIRMAN**

In the absence of the Chairman and Vice Chairman of the Sub-Committee, it was proposed and seconded that Councillor J.P. Hillary chair the meeting.

RESOLVED – that Councillor J.P. Hillary chair the meeting.

10. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted by Councillors Mrs M. Dalton, M.A. Dalton, M. Iveson and Mrs S.J. Iveson.

11. **MEMBERS' DISPENSATIONS**

No requests for dispensations had been received.

12. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

13. **MINUTES**

It was proposed by Councillor A.M. Chandran, seconded by Councillor M. Ashcroft and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee, held on the 11th October 2016, be confirmed as a correct record.

14. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report to update Members on the work completed by him for the period 1st October 2016 to 31st March 2017.

The Internal Audit Plan for 2016/2017 had been completed.

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

- (a) Pre-School
- (b) Asset Management
- (c) Debtors
- (d) Environment Centre
- (e) Golf Expenditure
- (f) Complex Ordering and Receipt of Goods

- (g) Stock and Stores - Works
- (h) Complex Financial and Budgetary Control
- (i) West Cemetery
- (j) Creditors
- (k) Works Budgetary Control
- (l) Cash Control and Banking
- (m) Santa Tours
- (n) Budget Setting and Budgetary Control

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

The following audits had been conducted throughout the year, with final reports being made on the following areas:

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

The Internal Auditor had made recommendations on 7 out of the 14 reports and these are set out below:-

(a) Pre-School (4 Recommendations)

- (i) A bank account should be opened for voluntary contributions from parents.

It was noted that this had already been carried out.

- (ii) Milk returns should be submitted promptly to ensure no amounts, however small, are lost to the Council.

It was noted that there had been a change of company operating the nursery milk scheme nationally. St Oswald's Pre-School had now been re-registered with the new company.

- (iii) Arrears should be regularly followed up by pre-school staff in order to obtain payment or minimise loss.

- (iv) All systems, once it has been decided which are being retained, replaced or introduced, need to be comprehensively documented.

(b) Asset Management (2 Recommendations)

- (i) The film camera at the Council Offices should be disposed of as it has not been used for many years as it has been replaced by digital equipment.

It was noted that this would be written off.

- (ii) Existing inventories needed to be revised to reflect the results of the test check undertaken and all inventories needed to be checked at least annually and evidenced that this check had taken place.

(c) Debtors (2 Recommendations)

- (i) All cemetery requisitions should be authorised.
- (ii) The administration fee invoiced to the Aycliffe Angling Club should be deducted from takings rather than having to send an invoice to them. The invoice dated 31/3/16 remained unpaid at the date of audit.

It was noted that this would be implemented.

(d) Environment Centre (2 Recommendations)

- (i) As a large number of tools and equipment have been removed and reallocated to other parts of Works, a complete inventory needs to be undertaken to establish exactly what is held at the centre which will require more detailed descriptions, as mentioned in the report, and the separate identification of all items held on behalf of third parties.
- (ii) Decisions need to be taken on the future use of the computer equipment that came from St Oswald's, as it is currently disconnected and unused, and whether there is a need for the modem that is also not being used.

It was noted that this had been disconnected and removed.

(e) Golf Professional Contract and Expenditure (2 Recommendations)

- (i) The 3 items that the contract specifies should be provided by the Professional, mentioned in paragraph 2.2, should be provided
- (ii) The reasons for the request of the Professional to close the driving range at 6.00pm instead of the current 7.00pm, in winter, be investigated.

(f) Ordering and Receipt of Goods – Sports Complex (1 Recommendation)

- (i) Electrical orders should all be raised as soon as the order has been placed and certainly before the invoice is received.

(g) Stores and Stocks - Works (1 Recommendation)

- (i) All chemicals should be recorded in the loose leafed folder that is currently in use – the use of the other written book should be discontinued.

(h) Complex Financial and Budgetary Control – (No Recommendations)

(i) West Cemetery – (No Recommendations)

(j) Creditors – (No Recommendations)

(k) Works Budgetary Control – (No Recommendations)

(l) Cash Control and Banking – (No Recommendations)

(m) Santa Tours – (No Recommendations)

(n) Budget Setting and Budgetary Control – (No Recommendations)

On-going Internal Audits

The following audits were ongoing throughout the year. A final report was made to update Members on progress of the work undertaken and any matters arising for attention.

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

RESOLVED – as follows:-

- (a) That the Internal Auditor's report be received.
- (b) That the recommendations and comments are noted and that actions have been implemented.

The Chairman thanked the Internal Auditor for his work and wished him well for his forthcoming retirement.

15. **RISK ASSESSMENTS**

The Town Clerk had submitted a report providing information for the purpose of monitoring the Council's Risk Management Strategy.

RESOLVED – that the report and information be noted.

CHAIRMAN.