

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **TUESDAY, 11th OCTOBER 2016** at **6.00 p.m.**

PRESENT Councillors M. Ashcroft, A.M. Chandran, Mrs. M. Dalton, M. Dalton, 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)
Mr. S. Cooper (Works and Environment Manager)
Miss A. Donald (Town Clerk's PA)

1. **APPOINTMENT OF CHAIRMAN**

It was proposed by Councillor M. Ashcroft, seconded by Councillor Mrs M. Dalton, that Councillor M.A. Dalton be appointed Chairman of the Audit Sub-Committee for the Municipal Year 2016/17.

RESOLVED – that Councillor M.A. Dalton be appointed as Chairman for the Audit Sub-Committee for the Municipal Year 2016/17.

Councillor M.A. Dalton took the chair for the meeting.

2. **APPOINTMENT OF VICE CHAIRMAN**

It was proposed by Councillor M. Dalton, seconded by Councillor M. Ashcroft, that Councillor M. Iveson be appointed Vice Chairman of the Audit Sub-Committee for the Municipal Year 2016/17.

RESOLVED – that Councillor M. Iveson be appointed Chairman for the Audit Sub-Committee for the Municipal Year 2016/17.

3. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted by Councillors G.C. Gray, M. Iveson and Mrs S.J. Iveson.

4. **MEMBERS' DISPENSATIONS**

No requests for dispensations had been received.

5. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

6. **MINUTES**

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

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee, held on the 13th April 2016, be confirmed as a correct record.

7. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report to update Members on the work completed by him for the period 1st April to 30th September 2016.

The Internal Audit Plan had achieved 43.57 out of the 90 days to the end of September and was on target.

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

- (a) Fuel
- (b) Stephenson Way Cemetery
- (c) Risk Management
- (d) Corporate Governance
- (e) Aycliffe Festival
- (f) Tenders and Quotations
- (g) VAT
- (h) Treasury Management
- (i) Capital Accounting and Year End
- (j) Senior Citizens' Excursions
- (k) Fun in the Parks
- (l) Ordering and Receipt of Goods – Works

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 interim reports being made on each of the topics in the final reports:-

- (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 12 reports and these are set out below:-

(a) Fuel (4 Recommendations)

- (i) That white diesel drawn from the Esso garage should be recorded in the appropriate place on the Vehicle Service Schedules (VSS). There should be a VSS sheet each week for every vehicle.
- (ii) That fuel books should be changed to the format of that of the Depot Petrol book to include a balance figure for the amount of fuel in stock when the next delivery is ordered.
- (iii) That explanations are required for the difference of 38 litres of petrol issued to the Golf Shop, over three different days, which are not recorded in the Golf Shop record book.
- (iv) That, where possible, all fuel books should be regularly checked to ensure that they contain accurate information and correctly reflect the stock held.

It was agreed that the Grounds Maintenance Service Co-ordinator be requested to undertake checks on the fuel issue record books on a regular basis.

(b) Stephenson Way Cemetery (4 Recommendations)

- (i) That the website information on cemeteries and burials should be checked to ensure that it is accurate.

It was noted that this had already been carried out.

- (ii) That it should be ensured that current Council charges are levied when requisitions are raised and sent to finance for invoices to be produced.

- (iii) That the cemetery master plan requires updating to ensure that information recorded on it is accurate. It needs to show not only the names of the people who reserved the plots but also the names of people interred in them and all new plots available to reserve should be added to all plans.

It was noted that the name of the purchaser should not be shown. The record should show only the abbreviation 'Res.' and the names of the interred. Therefore the current system is correct and the recommendation not agreed.

- (iv) That all registers need to be brought up to date to ensure that all relevant information is recorded eg if there are multiple burials in a grave space there should be a grant number recorded for each interment even if it is the same one.

It was noted that the Grant of Exclusive Rights number is pertinent to the grave plot and is unique to the plot. It remains the same regardless of the number of interments. Therefore the current system is correct and the recommendation not agreed.

(c) Risk Management (3 Recommendations)

- (i) That all changes, be they new or deleted risks that have taken place between one Audit Sub-Committee meeting and the next should be reported in the body of the Risk Assessment report as well as on the Risk Review list that accompanies it.

- (ii) That appropriate training or refresher training on Risk Management be given to the Environment and Works Manager and the Grounds Maintenance Service Co-ordinator.

- (iii) That it may be advisable to keep on eye on S15 – low uptake of places in Pre-school – as it has been downgraded from high to low because we now only have one pre-school and it is fully subscribed as low risk are only monitored annually and the new school year begins in September – 6 months before the risk's expected review.

It was pointed out that information on Pre-School numbers and potential uptake is reported to each Policy and Resources Committee.

(d) Corporate Governance (3 Recommendations)

- (i) That all new employees should sign and return a document which states that they have received and read their induction pack, specifically the policies therein.

Any new policies and procedures that may affect staff in different areas should be copied to them with a signature obtained by their managers. This would bring staff in line with both the Council and Youth Council members, who both sign acceptance forms. A list should be drawn up of existing staff who have not signed a return form and ensure that they do so to protect the Council. They should all remain in the central file held by the PA to the Town Clerk.

- (ii) That the item 'Members' Dispensations' needs to be added to each Sub-Committee agenda and minutes as some do not include it.

It was pointed out that this had already been carried out.

- (iii) That any further regular Allotment Surveys be not undertaken, as the production, distribution and collation of the information supplied is not cost effective. Questions asked on the surveys are discussed at regular meetings with site representatives, on site when inspections are undertaken or at the Allotments AGM.

(e) Aycliffe Festival (3 Recommendations)

- (i) That attention should be paid to the way that the Festival is advertised, as some of the feedback from the public stated that they heard about the Festival by word of mouth rather than advertising, although it is acknowledged that the amount of advertising was increased from the previous year.

It was agreed that this should be referred to the Festival Working Group.

- (ii) That best value should be demonstrated and evidenced as far as possible.

It was agreed that this should be referred to the Festival Working Group.

- (iii) It was noted that feedback was sporadic, with only six responses from members of the public and 11 from the organisers of the events, with none received from Neville Community Centre, who organised 12 events, not all of which obtained a grant. Feedback from both areas is useful and perhaps it should be made a condition of grant that feedback is required after each event for which grant has been approved and this should help the organisation and choice of future events. Public feedback needs to be improved as providing a form on the website obviously did not work very well, despite the editorial in the Newton News pointing residents to the website and asking for responses.

It was agreed that this should be referred to the Festival Working Group.

(f) Tenders and Quotations (3 Recommendations)

- (i) That where there are amendments to original specifications, be they additions or deletions, they need to be confirmed in writing to the contractor. If this is not done, the Council would have to pay for whatever the contractor assumed the client wanted.

- (ii) That all quotations above £5,000, which are above the budgeted amount, ie the amounts are unbudgeted, should be approved by Policy and resources before works commence, in line with Standing Order 9.11.

- (iii) That exemptions to Contract Standing Orders should be requested for all capital projects above £5,000 where 3 quotations are not being obtained for whatever reason.
- (g) VAT (2 Recommendations)
 - (i) That it is recommended that where a purchase is made that is under £250 and there is no VAT receipt (this is mainly on-line purchases) and it is known that the company from whom the on-line purchase was made is VAT registered, eg Tesco, then the appropriate VAT should be deducted from the purchase. This is in line with HMRC guidelines.
 - (ii) That Homeplan should be approached again about the way that VAT is shown on their receipts in an effort to ensure that it is done correctly and in the interim extra care is taken over their petty cash receipts when allocating VAT.
- (h) Treasury Management – (No Recommendations)
- (i) Capital Accounting and Year End – (No Recommendations)
- (j) Senior Citizens' Excursions – (No Recommendations)
- (k) Fun in the Parks – (No Recommendations)
- (l) Ordering and Receipt of Goods – Works – (No Recommendations)

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 Internal Auditor's report be received.
- (b) That the recommendations and comments are noted and that actions have been implemented.
- (c) That it be noted that the content of Appendix 3 to the Stephenson Way Cemetery audit report included a number of incorrect conclusions, which had subsequently been clarified by officers.

8. **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.