



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

- (g) Sports Complex
- (h) Bar and Catering
- (i) Golf Centre
- (j) Salaries and Wages

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

The audit was undertaken on Budget Monitoring during the current financial year with most of the audit work being focused around the budget setting process for 2013/14.

The Council was seen to be operating a planned system of financial management and is able to show control over its resources by regularly reviewing both its revenue and capital budgets and updating them to reflect future commitments and is able to show inflationary pressures.

*There were no recommendations to be made.*

(b) **Asset Management**

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

The Asset Register is maintained by the Finance Manager. An Asset Management Plan is used to contribute to the corporate planning processes with the Council and is included in the preparation of Budgets. The plan is reviewed by both the Performance Management Group and the Members Asset Management Working Group. Both Groups had met during the year and action plans were developed and followed up throughout the year.

Inventories were maintained for each service area and these included additions and write-offs. The inventories for the Council Offices, I.T. Section, Works Section and the Sports Complex had been checked.

*It was recommended that:-*

- (i) *Fire Extinguishers need to be added to all inventories*
- (ii) *The Complex Boiler Room inventory should be discontinued.*
- (iii) *Inventories be checked on an annual basis and the date of check evidenced on the inventory.*
- (iv) *Existing inventories be revised in line with recommendations by the Auditor.*

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

The audit had encompassed the receipt of nursery grants for three and four year old children and the receipt of fees for those children who are not on nursery grants. Extra hours payments were also checked together with the collection, recording and banking of fees. Milk funding and petty cash was also taken into account.

A previous recommendation on the receipt of cash by the Finance Section for banking purposes and recording procedures had now been carried out.

*There were no recommendations to be made.*

(d) **Budget Monitoring**

The audit was undertaken as part of the planned audit work for 2012/13 on the budget monitoring process within the Authority for three areas:- Works, Sports Complex and Environment.

The overall Audit Opinion is that the budget monitoring process is being carefully and accurately managed.

*There were no recommendations to be made.*

(e) **Golf Course Expenditure**

The audit covered cash control, ordering/expenditure and obtaining, recording and using fuel for machines on site.

The issuing of petrol had been a problem with the measuring equipment and the transfer of fuel from the can to the buggies. It was suggested that new cans be purchased to replace the damaged ones and these be marked for Golf Use Only. It was also suggested that the fuel would be issued from one 20ltr can until the can was empty when a second would be used.

Previous recommendations had been accepted by management and the professional and all but 2 had been implemented. These 2 could only be undertaken should a new agreement be drawn up and implemented.

*It was recommended that the required equipment be purchased for the Golf Centre and the revised procedure be implemented for the recording of fuel.*

(f) **Stock and Stock Cards**

The Audit was undertaken to compare stock actually held on site to the stock recorded as being held on stock cards at the two main stock holding areas:- Works and Sports Complex.

The object was to:-

- Ensure that stock cards were in place, were up to date and reflected stock held.
- Ensure that stock was secure and access to stock was controlled.
- Ensure that items are added to stock records as soon as the stock arrived.

Overall opinion was that the system of receiving and issuing stock was adequate and it was not practical or cost effective to introduce proper stock control system for the Works or the Complex for the low value stock held.

*There were no recommendations to be made.*

**On-going Internal Audits**

(g) **Sports Complex**

The areas tested during the audit were to ensure that:

- Income collected had been banked intact in accordance with Financial Regulations and till operations had adequate controls.
- Cash collected from vending and gaming machines was correctly allocated to the complex from contracted percentages and is collected regularly and banked.
- Storage facilities and stock are adequate.

- Goods ordered are authorised and financial procedures are being followed.
- Sound financial management is in place.

*There were no recommendations to be made.*

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

Internal controls for the ordering of food and bar stock were checked and percentage on Gross Profits were set out.

Stock cards were checked and the new system introduced was seen to be working.

The overall audit opinion was that the internal controls in ordering of food and bar stocks was strong. Value for money was considered when placing orders. Advantage is taken of special offers and meals are on the special board. Changes to bar stock to ensure that only drinks that are regularly ordered are being stocked.

*There were no recommendations to be made.*

(i) **Oakleaf Golf Complex**

Work had already been undertaken on the ordering and expenditure, together with the use of fuel and cash and banking procedures earlier in the report.

Problems which had occurred with the driving range tokens had been resolved.

The issue of fuel would hopefully be resolved following the revised procedure previously recommended.

*There were no recommendations to be made.*

(j) **Salaries and Wages**

Audit work had been undertaken on wages and salaries during the financial year. All aspects of controls in the payment of both weekly and monthly salaries were checked.

The salaries and wages system has strong internal controls.

*There were no recommendations to be made.*

**RESOLVED** – that it be recommended:

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

23. **REVIEW OF INTERNAL AUDIT SERVICE 2012/2013**

The Finance Manager and Town Clerk had submitted a report which provided information for Members of the Audit Sub-Committee to undertake the annual review of the effectiveness of the Council's Internal Audit Service for the 2012/13 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 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 2012/13 Statement of Accounts.

**RESOLVED** – that it be recommended:

- (i) That the report be received.
- (ii) That the Audit Sub-Committee confirms that the effectiveness of the Council's Internal Audit arrangements are relevant to the size of the Council and the scope of its activities.
- (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 2012/13 Annual Governance Report.

24. **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.

There had not been any risk assessments carried out since the last report to the Audit Sub-Committee.

The 'Business Risk Register' had been considered by the Performance Management Team and a copy of the Quarterly Risk Review for March 2013 was attached for the Committee's information.

**RESOLVED** – that the report and information be noted.

**CHAIRMAN.**