

Minutes of the meeting of the **AUDIT SUB-COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY, 10th JULY 2013** at **6.00 p.m.**

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

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

1. **APPOINTMENT OF CHAIRMAN**

It was proposed by Councillor A.M. Chandran, seconded by Councillor B. Hall that Councillor W. Iveson be appointed Chairman of the Audit Sub-Committee for the Municipal Year 2013/14.

RESOLVED – that Councillor W. Iveson be appointed as Chairman for the Audit Sub-Committee for the Municipal Year 2013/14.

Councillor W. Iveson took the Chair for the meeting.

2. **APPOINTMENT OF VICE-CHAIRMAN**

It was proposed by Councillor A.M. Chandran, seconded by Councillor G.C. Gray that Councillor B. Hall be appointed as Vice-Chairman of the Audit Sub-Committee for the Municipal Year 2013/14.

RESOLVED – that Councillor B. Hall be appointed as Vice-Chairman of the Audit Sub-Committee for the Municipal Year 2013/14.

3. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Mrs. B.A. Clare, M. Dalton, M. Iveson and Mrs. S.J. Iveson.

4. **MEMBERS' DISPENSATIONS**

There were no applications for dispensations submitted.

5. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

6. **MINUTES**

It was proposed by Councillor B. Hall, seconded by Councillor G.C. Gray and

RESOLVED – that the minutes of the meeting of the Audit Sub-Committee held on the 10th April 2013 be confirmed as a correct record.

7. **INTERNAL AUDITOR'S REPORT**

The Internal Auditor submitted a report setting out details of the work he had completed for the period 1st April 2013 to the 30th June 2013.

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) Fuel Usage
- (b) Allotments
- (c) Corporate Governance
- (d) Risk Management
- (e) Markets
- (f) Treasury Management

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:

- (g) Sports Complex
- (h) Bar and Catering
- (i) Golf Complex
- (j) Oakleaf Golf Complex

(a) **Fuel Usage**

An audit review of controls involved with the purchase and use of fuel used in council vehicles had been undertaken.

The following recommendations were made:-

- (i) *The Works Manager to have discussions with the current fuel supplier to ensure that the Authority receives the correct information on receipts when fuel is obtained from them.*
- (ii) *The Works Manager to inform staff that fuel receipts should show the registration number of the vehicle, the value of the receipt and the amount fuel purchased.*
- (iii) *The Finance Manager seeks to test the market to see if it is possible to obtain a similar or better service for the purchase of fuel.*

(b) **Allotments**

The audit works to the allotments was carried out on the system for collecting income and the allocation of waiting lists. Work was carried out on agreements signed and invoices raised to ensure that the recommendations of the Charges Working Group had been actioned.

There were no recommendations to be made.

(c) **Corporate Governance**

An audit review had been carried out on Corporate Governance to ensure that the Council was doing the right things in the right way for the people in a timely, inclusive, open and honest and accountable manner. This had been focused on the following areas:-

Customer involvement in the planning process
Internal Control / Risk
Disclosure of interests and the Members Code of Conduct
Member / Officer relations and behaviour
Strategic Planning, Performance Management and Consultation
Business Continuity

There were no recommendations to be made.

(d) **Risk Management**

A Risk Management Strategy and Policy had been produced in March 2007 and updated in May 2012 by the Council. This had links to the Medium Term Financial Plan.

Risks are seen to be identified throughout the organisation, reviewed regularly by the Management Team and reported to Members through this Sub-Committee and to the Policy and Resources Committee at the end of the year.

It was noted that only new business risks were reported by Committees using the Business Risk Assessment Form.

It was agreed that the mechanism for reviewing existing business risks as undertaken by the Performance Management Group be clarified within the Risk Management Policy.

There were no further recommendations to be made.

(e) **Markets**

The review of the market had been undertaken to check on the following objectives:-

- All monies due to the council had been paid.
- All monies to be paid out had been paid.
- Signed contracts were in place between the Council and Daejan and the Council and the Market Traders Association.
- To ensure that the running of the market represents value for money and the Council does not lose money.
- Members have approved the continuance of the market.
- Standards have been laid down for the effective running of the market.

It was noted that the signed copy of the agreement with Daejan had been received.

There were no recommendations to be made.

(f) **Treasury Management**

An audit had been undertaken on how the Town Council manages its loans, investments and cash flows. The following areas had been reviewed.

- Investments
- Loans
- Cash Flow

There were no recommendations to be made.

On-going Internal Audits

The following internal Audits are ongoing during the year and this report gave members the finished report for the whole financial year.

(g) **Oakleaf Sports Complex**

The following areas were undertaken for audit as part of this year's audit plan within the Complex. The areas examined were:-

- Income
- Cash
- Stores
- Ordering and Receipt of Goods

The overall audit opinion is that the systems examined had strong internal controls.

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

Internal controls for the ordering of food and bar stock were checked and considered strong. There had been no problems with ordering and receiving of goods.

The overall audit opinion is that the internal controls in relation to the ordering of food and bar stocks are strong. Value for money is always considered when placing orders for catering stock. Advantage is always taken of special offers and these meals are always shown on the "specials board". The Leisure Manager and Duty Manager makes changes to bar stock to ensure that only those drinks that are regularly ordered are being stocked.

(i) **Oakleaf Golf Complex**

Driving Range income had been monitored together with cash collected from the commencement of the financial year. Golf season tickets were checked against application forms completed and monies banked.

Memberships payments by instalments will be monitored to ensure all payments are 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. Minor errors had been corrected and everything was now correct.

RESOLVED – that it be recommended:

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

8. **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 not been reviewed since the last report to the Audit Sub-Committee on the 10th April 2013.

RESOLVED – that the report and information be noted.

CHAIRMAN.