

ST NEOTS TOWN COUNCIL
MINUTES OF THE MEETING
OF THE AUDIT & RISK COMMITTEE
HELD ON THURSDAY 14 JULY 2011

Present: Cllr D Harty
Cllr C Hutton
Cllr A Ruck
Cllr C Thompson

1. Election of Chairman

Cllr C Hutton was elected Chairman.

2. Election of Vice Chairman

Cllr A Ruck was elected Vice Chairman.

3. Apologies for Absence

Apologies for absence were received from Cllr S Davison.

4. Declarations of Interest

There were no declarations of interest.

5. Minutes

The minutes of the meeting held on 6 April 2011 were **APPROVED**.

6. PUBLIC PARTICIPATION

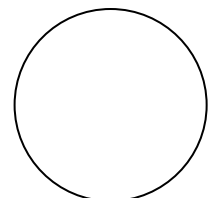
There were no members of the public present.

7. It was **RESOLVED that**

In the view of the special and confidential nature of the business about to be transacted, it is advisable in the public interest that the press and public be temporarily excluded and they are instructed to withdraw.

8. REVIEW OF INTERNAL AUDIT REPORT

The Committee reviewed the Matters Arising from the Town Council's Internal Audit for the year ended 31 March 2011.



- 1) Procedures not included in the Procedures Manual: stock procedures, Priory Centre takings procedures and completeness of cemetery sales invoices.

The Responsible Finance Officer to write up these procedures and include in the Procedures Manual by 30 September 2011.

It was **AGREED** that the Procedures Manual should then be approved by Council.

- 2) No evidence that suppliers' statements were checked and agreed.

It was **AGREED** that in future suppliers' statements would be signed as evidence that they had been checked. The year end statements will be kept so that the Internal Auditor can agree them with the Council's purchase ledger. The signing of the statements will be added to the year end procedures.

- 3) Purchase Orders being raised when unnecessary.

The Responsible Finance Officer reported that this had not happened since this report as training has now been given.

- 4) Late payments processed on the Omega system were not being picked up and included on the schedule of payments shown in the minutes.

The Responsible Finance Officer reported that these payments had been reconciled. They related to payments in January/February which were put on the system too late to be included in the report.

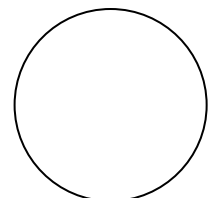
- 5) During 2010-11 quarterly meetings were not held to discuss the figures, in line with Financial Regulations.

It was **AGREED** to set all the dates for the Audit and Risk Committee meetings for 2011-12 in advance. The Chairman would liaise with the Acting Town Clerk to agree dates.

- 6) Monthly PAYE bank payments posted and dated at the end of each month and included as an outstanding payment on the bank reconciliation, although payment is not actually made until the middle of the following month.

It was **AGREED** that a nominal code would be set up to show the PAYE as a creditor at the month end. The Responsible Finance Officer would implement immediately.

The Committee then reviewed the Summary of Internal Audit Work and Findings.



- (i) Two BACS payments did not have the required three signatories. Two cheques did not have the required three signatories but the supporting documentation had been signed.

It was **AGREED** that in future the Town Clerk would be the final signatory and would not sign until two signatures had been received.

- (ii) Purchase orders had been raised after invoices had been received and were being raised for contracts which had been given purchase order numbers when set up.

The Responsible Finance Officer reported that training had since been given and further training was available if necessary.

- (iii) Completeness of sales invoices posted onto the Omega system.

The Responsible Finance Officer said that this had occurred during changes in staff and that procedures were in place to ensure full training of new staff.

- (iv) The authorised signatory list held in the Accounts Department required updating.

This was updated after the Council elections in June.

The Committee reviewed the Matters Arising from the Internal Audit on the Hall Hire System for the year ended 31 March 2011.

- 1) There was no formal system in place to ensure that all bookings are entered onto the Scuba system.

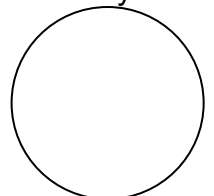
The Community Centres Manager now checks and initials all booking forms and confirms that they have been entered onto Scuba.

- 2) There was no formal system in place to ensure that sales invoices or amounts charged were correct. It was possible for pre-set rates in Scuba to be changed at the time of entering the booking.

The Responsible Finance Officer reported that all invoices raised were now checked by the Community Centres Manager and then checked by the Responsible Finance Officer.

The Committee asked if the Scuba system could be locked so that pre-set booking rates could only be changed by the Manager.

It was **AGREED** that the Responsible Finance Officer and Community Centres Manager would see if this was possible.



- 3) The Scuba system was not always being used to produce sales invoices. Occasionally manual invoices were raised.

The Responsible Finance Officer reported that no manual invoices were now being raised. This had been necessary due to lack of training on the Scuba system but a new procedure had now been put in place to resolve this.

- 4) No system in place for customers awarded grants for hall hire use. Sales invoices not being raised and no accurate sales ledger maintained.

The Responsible Finance Officer confirmed that a system was now in place whereby both the Priory Centre and Finance Department can check when grants are used.

- 5) No system in place for invoicing non account customers.

The Responsible Finance Officer confirmed that invoices were now raised for every booking and deposit.

- 6) No system in place for the retention and filing of cancelled bookings. Bookings were removed from the manual diary with no notes as to why the event had been cancelled.

The Community Centres Manager has implemented a new procedure. He is the only person who can now cancel bookings and initials the amendment when it is made in the diary.

Members asked why an electronic event diary was not kept in the Priory Centre. The Acting Town Clerk said that the Scuba system was not being used to its full potential and it may be possible for this to be done on Scuba. A demonstration of the system was being arranged.

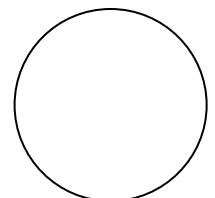
It was **RESOLVED**

to invite Cllr D Ruck and Cllr Mrs A Ruck to attend the Scuba demonstration and to invite additional Councillors to attend the demonstration if they wished, at next week's Council meeting.

- 7) There was no system to ensure that the pre-set rates on the Scuba system were correct.

This has been rectified. Rates are all correct.

Members asked how often rates were reviewed. The Responsible Finance Officer confirmed that rates are reviewed annually but have not been changed for a few years, apart from VAT increases.



- 8) There were inconsistencies to the way bookings were taken and followed up. No standard acceptance letters existed and no way of ensuring deposits and sales invoices were chased up and paid.

The Responsible Finance Officer confirmed that standard acceptance letters are now used. Each Duty Officer is responsible for one month's booking on a rolling basis, meaning that all payment chasing is handled by one member of staff.

- 9) Customers were being charged discounted or incorrect rates. The work done by the Finance Department to correct this had not been followed up.

The Responsible Finance Officer confirmed that the points they had raised had now been addressed and rectified.

- 10) No deposit was being taken from account customers.

Members proposed that deposit for block booking be taken, this needs to be formalised in the procedure manual for the Priory Centre.

- 11) There was no system in place to ensure that all sales invoices were received and processed onto the accounting system.

The Responsible Finance Officer confirmed that all copies of all invoices were now being received by Finance.

- 12) Priory Centre cash reconciliation sheets prepared twice weekly but not checked before they were given to the Finance Department.

The Responsible Finance Officer confirmed that these sheets are now checked by the Centres Manager before forwarding to the Finance Department.

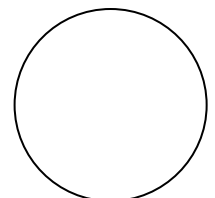
- 13) There is no evidence that booking forms and the manual diary were checked and authorised.

The Responsible Finance Officer confirmed that duty officers had been trained to check this as part of their monthly tasks.

- 14) Current system to ensure that acceptance forms and terms and conditions forms were signed and returned was not operating correctly.

Training has been provided to Duty Officers to make sure they carry out these checks.

The Committee then reviewed the Summary of Internal Audit Work and Findings for the Hall Hire System.



- (i) The Chairman asked if systems and procedures put in place were carried out in exactly the same way in both Centres.

The Responsible Finance Officer confirmed that, to his knowledge, the procedures were the same for the Priory Centre and Eatons Community Centre.

It was **RESOLVED**

to accept the Internal Audit Report for 2010-11 and recommend to Council for approval.

The meeting ended at 8.44pm.

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CHAIRMAN
14.07.2011

