



Beverley Town Council

Internal Audit Report [Interim]

Financial Year Ending 31st March 2021

Date of Interim Visit: 05 March 2021

Date Report Issued: 25 March 2021

Status: Final



**BEVERLEY
TOWN COUNCIL**

WORKING AS A COMMUNITY

Prepared by Internal Audit Yorkshire

Internal Auditor: Ms Safia Kauser

Tel: 07553 960 125

Email: info@internalaudityorkshire.co.uk

Web: www.internalaudityorkshire.co.uk

This report must not be reproduced without the prior permission of Internal Audit Yorkshire ©

This internal audit report takes into account the best practice and internal auditing standards referenced within the Practitioners' Guide to Governance and Accountability for Local Authorities.

The Internal audit report should inform the authority's responses to Assertions 2 and 6 in the Annual Governance Statement that forms part of the Annual Governance and Accountability Return [AGAR]. This internal audit report should therefore be made available to support and inform members considering the authority's approval of the annual governance statement.

Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

[Source 'Governance and Accountability for Small Authorities in England Practitioners Guide 2020]

1. Background

- 1.1 Authorities in England operate within a legal framework which provides them with the necessary statutory powers and authority to deliver local public services. Authorities and their clerks/chief executives/RFOs should always be aware of, and have regard to, the legal power they are exercising when deciding on any action including to spend public money.
- 1.2 The proper practices for smaller authorities (Town and Parish Council's) are included in the Governance and Accountability for Smaller Authorities [March 2020], a Practitioners Guide. Smaller authorities in England must complete an Annual Return and an Annual Governance Statement to the public. The Annual Return must be submitted to the external auditor within the statutory deadline of 30 June.

2. Purpose of Internal Audit

- 2.1 Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 2.2 The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective. The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority.
- 2.3 The objectives for Internal Audit Yorkshire are to undertake a programme of work to help discharge the statutory internal audit responsibilities and form a judgement of the effectiveness of internal control arrangements during the financial year. The list is not exhaustive and can vary from each authority who can agree a specific programme of work with its internal auditor provider each year. The key systems and processes will range from:
- Proper book-keeping including the cash book; bank reconciliations
 - Standing orders and financial regulations;
 - Payment controls/petty cash; Income controls;
 - Budgetary controls; Petty cash procedure;
 - Payroll controls; Asset control;
 - Year-end procedures; and risk management arrangements.

3. Our Objectives and Programme of Work

- 3.1 Our programme of cover has been designed to afford reasonable assurance that the Councils financial systems are robust and are operating in an effective manner and in compliance with the statutory legal framework. Our reasonable internal audit assurance definition indicates that 'There is generally a good system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the control area audited'.
- 3.2 Our work during the interim visit and the year-end visit will enable us to reach judgements on the internal control objectives in the Annual Internal Audit Report which forms part of the Councils Annual Governance and Accountability Return [AGAR].

4. Our Scope of Work During the Interim Visit

4.1 We covered the following areas during our interim visit on the 06th March 2021.

- Book Keeping and Mayors Charitable Funds
- Standing Orders and Financial Regulations
- Payment Controls and Expenditure Testing
- Charge Card and Procurement Contracts Timetable
- VAT
- Risk Management Arrangements
- General Data Protection Regulations [GDPR]
- Back-up of Electronic Files
- Budgetary Controls and Financial Health
- Income Controls including the precept
- Petty Cash Procedures
- Payroll Controls
- Asset Management
- Periodic Bank Reconciliations

We would like to thank the Deputy Clerk Matthew Snowden and Admin Assistant Carol Oliver for all their help and assistance during the audit.

5.1 Findings

A **Appropriate accounting records have been kept properly throughout the year.**

Aim: To provide assurance that the books of account have been properly kept throughout the year and that data input controls are accurate.

Internal Audit Response **Yes (subject to corrective action taken to address issues identified).**

5.2 Book Keeping

5.3 The RFO is responsible for the financial administration of the council in accordance with section 151 of the Local Government Act 1972. The cash book is the main focus for the day-to-day accounting and balancing off and reconciliation to the bank statement, and remains the most important control over the accounting system. The council is operating the cashbook in a computerised accounting package RBS Omega accounts that is a specialist accounting software for Town and Parish councils.

5.4 The RBS Omega accounts are maintained by the Admin Assistant whom under the direction of the RFO is responsible for the day-to-day entry book keeping on the accounting system, reconciling the bank accounts, preparing VAT returns for submission and ad-hoc accountancy tasks to assist with the management of the finances. The Town Council has several bank accounts that correspond to the cashbooks set-up on the accounting system which were verified against the cash and investment bank reconciliation statement dated 31 December 2020. The active accounts are:

- 1) Yorkshire Bank - Current Account
- 2) Yorkshire Bank - Deposit Reserves Account
- 3) Yorkshire Bank - Events Account (closed during the year)
- 4) Yorkshire Bank – Christmas Lights Account (closed during the year)
- 5) Yorkshire Bank - Youth Support
- 6) Beverley Building Society - Postal Business account
- 7) HSBC - Beverley in Bloom (request submitted to close the bank account)
- 8) Business Term Deposit (account closed, o/s monies deposited with Beverley Building Society)

**Yorkshire Bank - Mayors Charity this does not form part of the accounting statements in the AGAR. The Balance as at the 1st Feb 2021 was £180.00. (see reference further in the report)

- 5.5 We reviewed the cashbook to confirm that the previous year's annual return figure in box 7 '£753,589 to check it agreed with the current year's opening balances in the cash book. We can confirm that the documentation reviewed did correspond with the closing balances that had been carried forward correctly to the 01 April 2021.
- 5.6 We reviewed the income records recorded on the RBS Omega system for the current account. We noted that some entries were recorded as income for example transfer of £145.59 resulting from the closure of the Skate Park bank account. We understand that the Skate Park bank account has been entered onto the RBS system as a cashbook and therefore should have been treated as a cashbook transfer instead of a receipt. We noted that there were several refund entries recorded as income:
- 23/11/2020 Over pay refund of Oct Salary 276.34
 - 12/01/2021 East Riding Council FF advert refund 48.00
 - 01/09/2020 ERYC Refund-mayor making hire 240.00
 - 08/09/2020 ERYC Refund business rates 7,592.50
 - 02/07/2020 The Works The Works Discount Refund re flags 45.00
- 5.7 If the council has received a legitimate refund for an expenditure previously paid out then the accounting entries should be coded as credit entries against the expenditure code and netted off. Refunds should not be recorded as income for accounting purposes for expenditure previously paid out. The practitioners guide states that income should record entries that relate to repaid investments or loans, monies borrowed to finance projects, proceeds from the sale of fixed assets, fees, charges and grants such as the council tax support grant, CIL monies or any other grants received by the council.
- 5.8 We would recommend that a full review is carried out of all the accounting entries for all cash books in preparation of the year end accounts to ensure that entries are coded correctly as these would support the balances in the annual accounting statement that form part of the AGAR.
- 5.9 Local authorities can engage fully with the charity sector, whether by setting up a new charity or by appointing charity trustees or by acting as the corporate trustee for a charity. Most charities with an annual income over £5,000 need to be registered as a charity with the Charity Commission. Most of the very smaller charities do not need to be registered. (Charities Act 2011, s. 30, s. 22 and Sch 3. In accordance with section 139(b) of the Local Government Act 1972, a local council can be appointed as a sole or custodian trustee of a charity for the benefit of all or some of the people living in its area. The council can act as a sole managing trustee pursuant to section 101 (1) of the 1972 but it is important to note that the members are not charity trustees however they must make sure that the council acts appropriately as a sole trustee. The Charitable Trust would need to have its own governing document (constitution) and all meetings must be held separately from the town council. Further information on Charitable Trust law is set out in the NALC Legal Topic Note 28. We note that the Councils Financial Regulation 16.1 confirms that the councils Clerk and RFO will discharge their responsibilities in respect of charitable funds in accordance with charity law and legislation.
- 5.10 We discussed the Mayors Charity account with the Deputy Clerk and Councillor Johnson (Chair of the Policy and Finance Committee) at our visit. Monies are held for the Mayors Charity in a separate bank and the council is carrying out fundraising events to support the mayor's charity. At the end of the mayoral year, the charity funds raised are distributed to the Mayors chosen charity. We were informed that the funds for the mayor's charity do not form part of the councils accounting statements. Prior to our visit we had suggested that the council should seek independent advice on the management of the charitable funds. Advice had been received from the East Yorkshire Association of Local Councils which was provided to us at our visit. We cannot provide any comment in respect of the advice received from EYLCA which is contradictory to our opinion in respect of this matter.

5.11 We would recommend that the monies held in the charity account are not disclosed on the AGAR form annual governance statement of accounts at year end. Our opinion is based on the guidance that is available in the practitioner’s guide 2020 page 14 and in accordance with the legal requirements set out in paragraph 5.9 above. We are informed that historically the mayors charity accounts have not formed part of the AGAR, however the council would need to disclose that monies are held on trust.

OBJECTIVE A: RECOMMENDATIONS	
R1:	That the council considers a review all the accounting entries, in particular the income entries to ensure that they have been coded correctly and linked to the correct boxes that would provide the figures for the year end accounting statements that form part of the AGAR.
R2:	That consideration is given to the management and administration of the Mayors charity in accordance with the legal requirements set out in the Local Government Act and the Charity Commission Law.

B	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
Aim: To provide assurance that Standing Orders, Financial Regulations and Appropriate payment controls (payments supported by invoices, expenditure is approved, VAT is correctly accounted for) are in place and are followed.	
Internal Audit Response	No

5.12 Standing Orders and Financial Regulations

5.13 The first step in establishing a financial system is to identify the general rules applicable for the authority to carry out its business. These are set out in the authority’s Standing Orders, Financial Regulations and other internal instructions, for example the Scheme of Delegation. The Standing Orders were adopted in September (signed copy dated 07/09/2020) following a review on the 24th April 2020. Standing Order 18a (v) refers to an exemption of contracts for contract values less than £25k. Standing Order 18a (v) should correspond to the procurement contract thresholds in Financial Regulations section 17 which indicate different requirements for contract thresholds under £25k.

5.14 The Financial Regulations were initially adopted on the 07 September 2020 following a review by the Policy and Finance committee in July 2020 (minute 20/20). We noted that the front cover of the Financial Regulations stated that they had been formally adopted on the 27th July 2020 but were signed on the 07 September 2020 following formal approval from full council. Care should be taken to ensure that the Finance committee has full authority to make changes to the Financial Regulations and once adopted they become effective. Sometimes a committee can be discharged to reviewing policies but require formal approval at full council at which point the policy becomes effective once it has been ratified by full council.

5.15 The Financial Regulations contained adequate internal controls for the management of finances however we picked up several different references relating to credit and debit cards. Further testing in this area is covered in section 5.32. We noted that Financial Regulation 5.1 and 6.3 refer to electronic payments but there are no internal controls in place to determine how electronic payments are made. Financial Regulation 6.15 does not refer to limit on the payments to be authorized by the Service Administrator.

5.16 Payment Controls and Expenditure Testing

5.17 The payments process should always be carried out in accordance with the authority's Financial Regulations. The authority to spend is set out in the Financial Regulations (FR 4.1) that stipulate that expenditure may be authorised up to the amounts included for that class of expenditure in the approved budget. The Regulations also require the authority to be evidenced by a minute or an authorisation slip signed by the Clerk and where necessary by the appropriate Chairman. The authority is determined by:

- The Council for all items over £5,000
- A duly delegated committee of the council for items over £2,000
- The Clerks Policy and Policy and Finance Committee, for any items below under £2,000.
- Emergency expenditure up to £2,500

5.18 Financial Regulation 5.5 gives the Clerk and RFO delegated authority to authorise payments only in the circumstances stipulated, in particular, we note FR 5.5 b) that states:

- An expenditure item authorised under item 5.6 (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Full Council or Policy and Finance Committee
- Financial Regulation 5.6 states that - For each Financial Year, the Clerks and or RFO shall draw up a list of due payments which arise on a regular basis as the result of continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which the council, or a duly authorised committee may authorise for the year provided that the requirements of Financial Regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Policy and Finance or Full Council.

5.19 We reviewed the Scheme of Delegation to verify if any committees or Officers had delegated authority to incur expenditure. Testing was carried out to verify that the delegation limits corresponded to the Financial Regulations. The Scheme of Delegations confirms that:

- Policy and Finance Committee - Delegation for S137 discretionary expenditure
- Personnel Committee – Delegation of 'Salaries (in association with the Policy committee)'
- Town Clerk - Authorisation of routine expenditure within the agreed budget.
- Town Clerk - Emergency expenditure up to £2,500

5.20 Although the Scheme of Delegation allows the Town Clerk to incur routine expenditure up to the amounts included within the agreed budgets, the amounts are restricted to items below £2,000 as referenced within Financial Regulation 4.1. In addition to this Financial Regulation 5.6 also refers to routine expenditure but requires a list to be drawn up and submitted to the Finance and Policy committee or Full Council to enable them to be authorised for the full year. There are contradictory requirements for the Clerks delegated authority which should be reviewed to ensure delegated limits and requirements correspond with each other.

5.21 We have noted that the minute reference from the Finance and Policy committee, minute reference 34.2 that authorised approval for routine expenditure to be paid. The minute reference states 'That the Town Clerk is to pay all reasonably anticipated and budgeted operational expenses without having to seek permission from Council and that the payment of such items be detailed in financial reports'.

5.22 We reviewed the schedule of payments that the Policy and Finance committee had approved for payment.

Policy and Finance Committee Meeting Date	Payment Schedule (inclusive)
01 June 2020	22 April to 01 June 2020
13 July 2020	03 June to 14 July 2020
02 September 2020	01 August to 28 August 2020
12 October 2020	01 September to 30 September
09 November 2020	08 October to 10 November

We noted that the payments schedule did not record a column that indicates the authorisation reference, which should be supported by a minute reference number, Financial Regulation or a Scheme of Delegation reference.

5.23 The payments process was discussed with the Deputy Clerk and the Admin Assistant who is the primary user of the Omega Accounting software. We were informed that a purchase order is raised on the RBS System on the request of the Town Clerk/RFO. When the invoice comes in, the invoice is matched against the purchase order on the system and the invoice is paid off against the allocated budget for coding purposes. We inspected records provided to the Admin Assistant containing instructions for a purchase order to be raised. Although an official order was raised, there is no reference contained on the face of the purchase order to indicate it has been raised by the RFO in accordance with Financial Regulation 10.1 that states 'An official order or letter shall be issued for all work, goods and services unless a formal contract or an official order would be inappropriate. Copies of orders shall be retained'. We would recommend that the purchase order template is amended to show details of the authorising and approving officer (countersigned by another officer to ensure segregation of duties) and authorisation reference number or alternatively a purchase order authorisation stamp could be used. The current system does not identify that the Clerk/RFO has raised the orders although copies of requests sent via email are retained by the Admin Assistant. Copies of all official signed orders should be filed accordingly. We reviewed the purchase order ledger from 01 April 2020 to 28 February 2021. We found four active purchase orders that had not been paid to date. The RFO should ensure that if the goods and services have been received then the supplier is asked to invoice the council or alternatively the orders should be reviewed and cancelled if required to ensure that the system is kept up to date at all times. A copy of an authorised and approved purchase order should be attached to the invoice and retained in the invoice file.

5.24 We reviewed the council invoice records and found that the face of the invoices was left blank with no adequate audit trail to link the payment to the authorisation. The invoices contained no detail to confirm they had been certified for payment, although we note that the Admin Assistant has a record to evidence, they have received instructions for payment. We then reviewed the computerised records to retrieve any authorisation references and found that the authorisation detail had not been recorded. We noted that although the RBS Omega Accounting system allows a payments authorisation reference to be inserted on the system at the point the entry is recorded on the system, the authorisation field has been left blank. See appendix:

Date: 05/03/2021		Beverley Town Council 2020/21		Page 1	
Time: 13:44		Current Account			
List of Payments made between 01/04/2020 and 28/02/2021					
<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
01/04/2020	Geoff Simpson Holdings	DD	420.00		Unit 2 Oldbeck Road rent
06/04/2020	East Riding Council	DD	515.75		Office rates
09/04/2020	KRL Group Limited	DD	384.59		Photocopier
14/04/2020	Allstar Business	DD	17.86		Fuel
20/04/2020	Yorkshire Bank credit card	DD	540.51		Yorkshire Bank credit card

5.25 A suitably designed accounts authorisation stamp should be used for all invoices, for providing evidence of checks as required by the councils Financial Regulations. An authorisation stamp could include details for Certifying Officer; Authorisation reference; Purchase Order number; System Code; Date Paid and Payment Type which could include details of the cheque number, direct debit arrangement or bank transfer reference.

5.26 We discussed the bank transfer payments procedure with the Deputy Clerk and the Admin Assistant. We were informed that the Admin Assistant sets up the online banking payments which are then authorised by the Town Clerk. The limits on the online banking transactions had not been agreed by the council in accordance with Financial Regulation 6.15. Due to the Town Clerk/RFO's absence from October 2020, online banking transactions were ceased.

5.27 We checked a sample of invoices paid by bank transfer and noted that although the invoices were initialled by councillors whom are signatories to the account indicating their consent for the payment to be made electronically, there was no evidence from the online banking system to confirm that the payment stated on the invoice corresponded to the online banking transaction. This represents a significant weakness in the internal control systems for electronic payments as they can be left open to potential fraud.

5.28 We would expect to see some evidence from the online banking system to be appended to the invoice for evidence and verification purposes. The Council should review the electronic payments system to include adequate controls for monitoring and managing electronic payments as there are no checks in place for councillors to verify the online payment prior to it being paid to the recipient. A new system could include an officer acting as a service administrator to authorise transactions without any approval up to x amount of money and all other transactions could be approved by two councillors on the online banking system. Councillors should be expected to receive a copy of the batch of invoices that need paying and confirm their approval to the online payment schedule by the due date. A frequency could be set for once or twice a month for online payments to be made which would assist both councillors and officers with forward planning. We understand that the Deputy Clerk has attempted to set-up online banking in the absence of the Town Clerk/RFO which has not progressed any further due to the Covid-19 pandemic.

5.29 We reviewed the contractual thresholds for obtaining quotes and tenders. Financial Regulation 11b stipulates the requirements of obtaining quotes and tenders:

£1,000 or less	Best value to be obtained in accordance with FR 10.3
£1,000 and less than £5,000	Three estimates to be provided
£5,000 and less than £25,000	Priced description of the proposed supply

5.30 We tested seven payments for compliance with the procurement requirements stipulated above. Our findings are summarised:

- 1) 02/06/2020 - £1,500.60 – Payment to Radphone via Bacs 'Parkrun and accessories'
Payment for a grant approved and minuted in the last financial year. Goods donated to the group.
- 2) 02/06/2020 – £3,384.73 – Payment to WPS Hallam Investment Broker. Town Council annual insurance. Although there is a reference in the minutes (07/20); there is no breakdown recorded of the quotations that were considered.
- 3) 19/06/2020 - £5,121.60 – Payment to F G Adamson and Son – Purchase of Lawnmower. No authorisation reference contained within the minutes that could be verified by the Deputy Clerk or a copy of the quotations obtained.

- 4) 14/07/2020 - £14,400 – Payment to East Riding – Annual CCTV monitoring charges. Service level agreement retained on file but not verified during out audit testing.
- 5) 14/07/2020 - £7,711.20 – Payment to East Riding – Annual CCTV maintenance charges. Service level agreement retained on file but not verified during our audit testing.
- 6) HR related payments. Minute reference 58/20 full council minutes states ‘That following a request to the Mayor from the Personnel Committee, up to £5,000 is allocated from general reserves for the purposes of affording legal advice.
 - 17/09/2020 - £4,317.60 – Payment to Bridge McFarland – Legal Advice.
 - 07/10/2020 - £2,068.80 – Payment to Andrew Jackson – Legal Fees

5.31 From our contract testing of the payments above we noted non-compliance with some contract values for example the HR legal fees which did not follow the procurement requirements. We note that there may be occasions where the council needs to seek immediate advice, however the reasons for non-compliance of the Financial Regulations or where an exemption is considered then a record of the reasons should be formally documented in the council minutes. The council should consider a fixed fee support service for HR which could assist the council to achieve best value for money. Although we were informed that there is a service level agreement with East Riding for the CCTV monitoring and maintenance charges, we found that the invoices indicated a reference to an officer instead of a reference to a service level agreement. We would recommend that the service level agreement is reviewed to ensure that the council is receiving best value for money. The council purchased a lawn mower for use by the Handyman who left the organisation in July 2020. It is understood that the handyman services are now outsourced. The council should ensure that a robust business case is considered prior to the purchasing of council machinery and assets. All quotations and estimates should be recorded in a database maintained by the RFO and minuted in council minutes where required to ensure that the council can withstand scrutiny for compliance of the procurement requirements stipulated in the Financial Regulations and evidence should be retained on file for verification purposes.

5.32 Credit and Debit Cards

5.33 The council operates with one credit card with a maximum limit of £2,000 and one debit card with a maximum limit of £500 with Yorkshire Bank. The balances on the credit card and debit card payments are cleared each month via the current account. We noted that the credit card is registered in the name of the Clerk/RFO but the debit card is in the name of Beverley Town Council. It is understood that in the Clerk/RFOs absence, that the cards are used by the Deputy Clerk. It is not good practice for the card to be used by an officer whom is not the registered card holder. Officers were unable to provide further information on the security arrangements for the usage of the debit card as it is not registered in the name of a named officer. We would recommend that the council reviews the security and access arrangements of the debit card. The Deputy Clerk confirmed that both the cards were in his possession due to the Clerk/RFOs absence from work.

5.34 The Councils Financial Regulations 6.18 and 6.20 do not stipulate the usage of the card for example the use could be restricted to purchases that cannot be made via the normal ordering process. The regulations do not include the limits placed on the credit card. There are no adequate regulations in place to ensure that the purchases are appropriate due to the absence of regulations that would stipulate the usage. In addition to this there are no procedures in place to ensure that the card is cancelled in the event the card holder leaves the organisation.

5.35 VAT

5.36 The Council is not VAT registered and has normally reclaimed VAT using the VAT 126 form. VAT returns are prepared using the RBS Omega Accounting system. The VAT reclaim forms were reviewed and verified against the RBS VAT Ledger control account to ensure that the correct VAT had been reclaimed. We noted that Quarter 3 VAT refund was not recorded in the VAT Refund ledger but evidence of quarter 3 assessment record was viewed but not signed off by the Clerk/RFO.

Month	Date Submitted	Reclaim (£)
Quarter 1	22 July 2020	£6,516.93
Quarter 2	October 2020	£5,785.70
Quarter 3	January 2021	£6,958.50
Totals:		£19,261.13

OBJECTIVE B: RECOMMENDATIONS

R3:	That the Standing Orders and Financial Regulations are reviewed to ensure the financial stipulates correspond to each other (in particular SO 18)
R4:	That the schedule of payments presented to council or committee includes an authorisation column that should state the authorisation reference which may be a Financial Regulation reference for payments made in accordance with a contract or direct debit arrangement, a scheme of delegation authorisation or a council or committee minute reference.
R5:	That the Scheme of Delegation is reviewed to confirm if standing committees are delegated any budgets to incur expenditure and any delegations to correspond to the councils budget.
R6:	That the purchase order template on the RBS system be reviewed to include details for authorisation reference, authorising and approving officer or alternatively a purchase order stamp be used to record these details.
R7:	That all purchase orders are countersigned by another officer to ensure there is a segregation of duties of the Town Clerk and RFO who may be the same authorising and approving officer.
R8:	That copies of all signed purchase orders are retained on file and a copy to be attached to the invoice on payment for audit purposes.
R9:	That an authorisation stamp is used for all invoice payments. An authorisation stamp could include details for Certifying Officer; Authorisation reference; Purchase Order number; System Code; Date Paid and Payment Type which could include details of the cheque number, direct debit arrangement or bank transfer reference.
R10:	That the authorisation reference field is completed within the RBS Omega Accounting system.
R11:	That sufficient evidence is appended to the invoices for payments made via bank transfer to provide an adequate audit trail and verification that the online payment corresponds to the invoice.
R12:	That the council and officers comply with the councils Financial Regulations, in particular contract thresholds and where required, estimates, quotes and tenders be obtained.

R13:	That consideration is given to obtaining a professional HR fixed fee service which may achieve best value for money.
R14:	That the CCTV Service Level Agreement is reviewed with East Riding Council to ensure that the council is receiving best value for money. A copy of the agreement to be retained on file.
R15:	That all council officers record estimates and quotations in a quotations database created by the RFO.
R17:	That the arrangements for the credit and debit cards are reviewed to stipulate the limits for the cards, procedures for managing the use and cancellation in the event the card holder leaves the organisation. The procedures to be reflected in the councils Financial Regulations.

5.37 Risk Management Arrangements

C This authority assessed the significant risks to achieving it's objectives and reviewed the adequacy of arrangements to manage these.

Aim: To obtain assurance that risk management arrangements are adequate to manage all identified risks.

Internal Audit Response No

5.38 Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks; addressing risks; and reviewing and reporting. This is demonstrated by key documents the council should have in place which include a Risk Assessment and a system of internal controls. This should be reviewed and adopted by the authority at least on an annual basis or when the risks change.

5.39 We were provided with a risk assessment document dated 2020/21 which identified financial related risks for example, assets, control of financial management, insurance provision and HMRC. Risk management is not just about financial management; it is about protecting the achievement of objectives set by the council to deliver high quality public services. The risk register did not include all risks considered by the council for example, business continuity, absence of the Clerk/RFO, covid-19 pandemic, IT and security arrangements and other organizational risks that can prevent the council from achieving its objectives. Failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. We noted that a separate activity-based risk assessment was carried out for the offices due to the covid-19 pandemic and approved by the Policy and Finance committee meeting held on the 01 June 2020. The corporate risk assessment document not include any time limited actions to address additional measures identified and did not include a risk rating criterion of the potential consequences and the likelihood for each individual risk. Failure to include a risk rating criterion can impact a council from addressing the high risks and appropriate mitigating controls to bring the risk rating down to a tolerable level. The document did not identify the details of the council meeting that considered and adopted the risk assessment.

5.40 The Council does not have a system in place where it carries out a check of its internal controls. The internal controls check should be carried out by the Council at least on an annual basis and separately documented and formally recorded in the Council minutes.

5.41 The Councils Financial Regulations, section 17.1 refer to 'risk management policy statements'. The council does not have a Risk Management Policy in place. We would recommend that a policy is

introduced as it will assist both members and officers in the discharge of their responsibilities in accordance with the Financial Regulations.

5.42 The insurance policy was reviewed. The main insurable risks of public liability, employer’s liability and fidelity guarantee were in place. On inspection of the insurance documents, a list of specific council assets was insured in separate categories on the insurance document. We checked the category of ‘Laptops Computers and portable electronic equipment’ on the insurance schedule, the sum was insured for £4,407.00. We then reviewed the asset register document and checked the value of computer equipment which was recorded at £5,673.60 at purchase cost for ‘computer equipment, projector, laptop and screen’. Although the Council has insurance cover in place for council assets, care should be taken to ensure that the updated asset register is provided to the insurers to confirm that the correct sums are insured and in place. We noted that the insurance was reviewed and renewed via the Policy and Finance committee in June 2020 but there is no minute detail that confirms that the council asset register was reviewed against the insurance schedule. It may be possible that the council has purchased assets mid year after the renewal of the insurance in which case, the insurers should be contacted and any differences in the premium should be paid accordingly to insure the new assets.

5.43 General Data Protection Regulations [GDPR]

5.44 The General Data Protection Regulations came into force on the 25 May 2018. Due to the financial risk associated with the new Data Protection Regulations; Data Protection should form part of the councils Risk Assessment. We noted that the council has no specific GDPR specific policies in place. The Society of Local Council clerks has a GDPR checklist that the council could refer to or alternatively advice should be obtained from the local county association and policies should be introduced and adopted.

5.45 Back-Up of Electronic Files

5.46 Part of the risk management arrangements should include the back-up of the computer systems and files. We understand that the council has a portable hard drive that is swapped over and retained by the Town Clerk/RFO. There is no documentation on file to confirm the dates and times of back-ups made on the external hard drive or when the hard drive was taken away from the council offices. The council should assess the risks associated with these arrangements and if appropriate, outsource their IT arrangements which could provide the council with robust controls to prevent data loss.

OBJECTIVE C: RECOMMENDATIONS	
R18:	That the Councils considers developing and adopting Risk Management Statements and Policies in accordance with Financial Regulation 17.1.
R19:	That the risk assessment document is reviewed by the council to include all key risks facing that impact on service delivery and prevent the council from delivering its objectives. This should include business continuity measures. The risk document should include a risk rating criteria of the potential consequences and the likelihood for each individual risk.
R20:	That the council considers developing and adopting GDPR policies to comply with the GDPR regulations that came into force on the 25 May 2018. Model policies can be obtained from SLCC or the local county association.
R21:	That the councils reviews its IT back-up arrangements having regards to GDPR and data loss.

5.47 Budgetary Controls and Financial Health

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.

Aim: Verify the annual precept request is the result of a proper budget process, that budget progress has been regularly monitored and the Councils reserves are appropriate.

Internal Audit Response No

5.48 The preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, irrespective of its size. The budgets purpose is to assist the authority in setting the precept for the year, [subject to the authority's Financial Regulations] it gives the clerk and other officers overall authority to make spending commitments in accordance with the plans approved by members; and it provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

5.49 The Governance and Accountability Practitioners Guide provides detailed information of each key stage and order the council should consider in the budgeting process. These include:

- Deciding the form and level of detail of the budget;
- Reviewing the current year budget and spending;
- Determining the cost of spending plans;
- Assessing the levels of income;
- Bringing together spending and income plans;
- Providing for contingencies and consider the need for reserves;
- Approving the budget;
- Confirming the precept or rates and special levies; and
- Reviewing progress against the budget regularly throughout the year.

5.50 The Councils budgeting and forward planning process is stipulated in Financial Regulation 3. In summary it requires each spending committee to submit their proposals to the council no later than the end of November. The RFO is required to prepare the budget including the use of reserves for submission to council or committee. A review of the minutes confirmed that the committees do not have any budgets allocated to them and therefore no proposals were submitted from committees as part of the budgeting process. The councils budget prepared by the RFO was presented at the full council meeting held on the 09 January 2021 for consideration and approval.

5.51 The budget document was reviewed. The budget document included a summary of the income and expenditure to balance the budget at 0% based on the council tax calculation. It did not include a summary of all the balances held by the council and the level of projected expenditure and reserves at year end. The council has failed to follow the guidance contained in the practitioner's guide which has impacted on the council's ability to prepare a budget arising from a proper budgeting process. We found that the level of general reserves was not detailed on the budget document. A separate review of the councils earmarked reserves was carried out and although the reserves were earmarked, in our opinion the reserves did not present a true reflection as they were not supported by realistic project plans and time frames for delivery of the projects. We note that although the council has the RBS accounting software which has the functionality to prepare the budget, the budget was prepared in excel which did not include any committed expenditure or a projected year end summary.

5.52 We noted that although the current years budget was provided to the Policy and Finance committee on a quarterly basis, these documents should have been provided to council in accordance with Financial Regulation 4.8.

OBJECTIVE D: RECOMMENDATIONS

R22:	That the council follows the budgeting process as set out within the guidance contained within the practitioner's guide.
R23:	That the council develops project plans or a business case inclusive of a time-frame for delivery to support the budgeting process that will assist members to determine the costs for ear-marked reserves.
R24:	That the level of general reserves it reviewed to ensure it is within the recommended guidelines of 3-12 months of Net Revenue Expenditure (NRE). Note: The larger the authority the nearer to 3 months reserves should be retained for example, any authority with an NRE in excess of £200,000 should plan on 3 months equivalent General Reserve.
R25:	That the full council receives budget monitoring statements in accordance with Financial Regulation 4.8.

5.53 Income Controls Including the Precept

E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Aim: Obtain assurance that income controls are in place and operating effectively.

Internal Audit Response Yes

5.54 The precept represented the largest income received by the council. We attempted to test the precept approved by the council on the January 2020 to confirm that it agreed to the authority notification and the money received and banked. We can confirm that although the precept was paid in two equal installments of £145,707 recorded as received on the 01 May 2020 and £145,707, recorded as received on the 24 September 2020 via bank transfer, we could not verify this figure against the precept notification form which could not be located by council officers.

5.55 We reviewed a breakdown of the income received from 01 April 2020 to 28 February 2021. In addition to the precept, the authority receives allotment rents in the region of £7,086 which represents the second largest income to the council. There are 251 allotment plots over 5 allotment sites. Each individual allotment plot has an account on the RBS Sales ledger which enables the council to monitor income and as the account is linked to the site and plot rather than an individual allotment tenant. The Planning Property and Services committee carried out a review of the allotment charges and 50% was reduced due to the Covid-19 pandemic. The total income for allotments was £3,543 representing a 50% reduction. All allotment rents are received to date.

5.56 Checks were carried against the bank statements to confirm that the VAT reclaims were received and banked:

- Quarter 1 - £6,516.93 – received on 27 July 2020
- Quarter 2 - £5,785.70 – received on 14 October 2020
- Quarter 3 - £6,985.50 – received on 25 January 2021

5.57 Petty Cash Procedures

F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

Aim: Petty Cash: Obtain assurance that income controls are in place and operating effectively.

Internal Audit Response Yes

5.58 There is an operational petty cash system (FR 6.21). We noted that there is no limit on the petty cash float which is managed by the Clerk and reported to the Policy and Finance committee, although it is understood the petty cash was topped up by £300.00 in June. The RBS system has a separate code for petty cash payments. We reviewed the petty cash records which included a separate column for recovering VAT. The petty cash balance was £5.57 however on checking the petty cash float we found that there was £5.52 in the tin, a discrepancy of £0.05.

5.59 We discussed the petty cash requirements with the Deputy Clerk and it became clear that there was no requirement for the council to have a petty cash float since the introduction of the credit and debit cards. The council should review the requirements of the petty cash and update their Financial Regulations accordingly. Any outstanding monies in the petty cash float should be paid back into the council's bank accounts.

OBJECTIVE F: RECOMMENDATIONS

R26: That the requirements of the petty cash are reviewed and that any out standing money is paid into the petty cash and that the Financial Regulations are updated accordingly.

5.60 Payroll Controls

G Salaries to employees and allowances to members were paid in accordance with the authority's approval, and PAYE and NI requirements were properly applied.

Aim: Obtain assurance that payroll costs are supported by employment contracts, expenditure is approved and PAYE/NIC is properly operated. Review Members Allowances to ensure PAYE and NI requirements are met.

Internal Audit Response Yes

5.61 The council employed five members of staff which was reduced to four in July 2020 due to the departure of the Handyman. The remaining members of staff are the Town Clerk/RFO; Deputy Town Clerk and the Admin Assistants (x2). All employment contracts were reviewed for the following post holders:

Post Holder Job Title	Contracted Hours
Town Clerk and Responsible Financial Officer	37 hours per week
Deputy Town Clerk	35 hours per week
Admin Assistant 1 (x2 contracts)	7 hours per week Point 2 £17,711 (13 July 2020) 15 hours per week Point 9
Admin Assistant 2	6 hours per week Point 2

5.62 We were informed that the payroll is outsourced to TG Group and payments are made via bank transfer by the RFO and the Admin Assistant once the payroll reports are approved by the RFO.

5.63 The NJC salary scale pay points for local government employees were changed from the 01 April 2019 due to the introduction of a new pay spine. The NALC briefing note confirms the translation of the existing (old) spinal points and scale ranges used in the sector to the new pay scales and NJC pay points. For audit purposes we have summarised the translation of the old spinal pay points to the new ones and the calculation of the hourly rates in accordance with the employee contracts of employment. However, we note that the council did not issue employees with a letter to confirm the changes in the transfer of the old and new SCP points.

Post Holder Job Title	NJC Pay Point 01 April 2019 to 31 March 2020	New SCP NJC Pay point Transfer	New SCP NJC Pay point 01 April 2020 to 31 March 2021
Town Clerk and Responsible Financial Officer	Annual £34,788 SCP 38 – £18.08 p/h	Old SCP 38 transferred to the new SCP 32.	Annual £35,745 SCP 32 - £18.58 p/h
Deputy Town Clerk	Annual £21,589 SCP 12 - £11.22	SCP 12	Annual £22,183 SCP 12 - £11.53 p/h
Admin Assistant	SCP 9	SCP 9 trans to New SCP 2	Annual £18,198 SCP 2 - £9.46 p/h
Admin Assistant	SCP 9	Old SCP 9 transferred to New SCP 2	Annual £18,198 SCP 2 - £9.46 p/h

5.64 We carried out a sample of payroll testing for the Town Clerk/RFO and the Deputy Town Clerk for the December period to confirm that the salary was paid in accordance with the contracts of employment and included the correct back pay due to the NALC pay award increase that was effective from the 01 April 2020. The gross amount paid to the Town Clerk/RFO was equivalent to point 33 on the NALC pay scales and not point 32. We were not provided with any contract variation letters however we are informed that a pay increment was awarded by the Personnel Committee on the 03 November 2020. The gross amount paid to the Deputy Clerk corresponded to the NALC pay scales. It is unclear how the back-pay calculations have been calculated and the council would need to seek assurance from the payroll provider that the correct calculations have been applied. It is noted that the Deputy Clerk had an increase in hours that were effective from the 01 July 2020.

5.65 Although we can confirm that all HMRC payment deductions corresponded to the payroll records and were paid to HMRC in a timely manner and local government pension contributions paid; we are not satisfied that the correct salaries were paid due to the discrepancy identified in the payroll testing above.

5.66 We discussed the overtime arrangements and signing of timesheets with the Clerk/RFO. We were informed that overtime is uncapped for the Clerk/RFO post (approximately 2-3 hours per week) and approved retrospectively each month by the Personnel and Finance committee before it is processed the following month. We reviewed the contract of employment for the Deputy Town Clerk which has an allowance of 4 hours per week of overtime which is authorized and processed by the Clerk/RFO. Due to the absence of time sheets provided, we could not carry out any testing to confirm that the overtime calculations were correct and had been authorised by the Council.

5.67 The overtime arrangements were discussed and we understand that the Personnel committee have agreed for staff to work any overtime required totaling 100 officer hours at their meeting held in January 2021. In normal circumstances the Town Clerk/RFO would seek approval from the Personnel Committee however due to their absence the members of the committee authorized employees to do overtime as required. We could not find any reference of the overtime approval recorded in the Personnel Committee minutes.

5.68 Members and Chairman Allowances

5.69 The Town Council pays its members a basic allowance of £250.00 per annum which is paid via payroll and Tax and NI contributions are deducted accordingly. The allowances were agreed following a report from the independent remuneration panel that was considered by the Policy committee on the 05 May 2004. It is noted that the report from the independent remuneration panel recommended that a parish basic allowance should not be paid as it was not warranted for the amount of work involved particularly having regard to the tradition of voluntary service on local councils.

5.70 In accordance with the Local Government Act 1972 (s.15) a council can pay its Chairman a reasonable allowance to meet the expenses of the Chairman's office. The council has agreed to pay its Chairman/Mayor a fixed allowance of £1,500 that was paid in one lump sum via bank transfer on the 02 June 2020. The Chairman/Mayor holds an office for tax purposes and therefore any round-sum allowances paid to are subject to PAYE. The council should ensure that councillors who are in receipt of round-sum allowances must be set up in a PAYE scheme (similar to the payment of members allowances).

OBJECTIVE G: RECOMMENDATIONS

R27:	That an examination of employee salaries is undertaken to confirm that the correct salary payments have been made in accordance with the contract of employment taking into account the new NJC pay scale points applicable from the 01 April 2019. Employees should be provided with documentation to confirm the transfer of the new pay points and the new SCP pay point that is applicable to their post.
R28:	That all overtime is sanctioned in advance and recorded on the timesheets accordingly and submitted to payroll. Timesheets to be retained on file.
R29:	That the Chairman's allowance is paid in accordance with the PAYE scheme via the payroll provider.

5.71 Asset Register

H Asset and investments registers were complete and accurate and properly maintained.

Aim: To provide assurance that all material assets are accounted for correctly

Internal Audit Response To be Reviewed Again at Year End

5.72 An asset register is the starting point for any system of financial control over assets as it facilitates the effective physical control over assets; provides the information that enables the authority to make the most cost-effective use of its capital resources and ensures that no asset is overlooked or underutilised and is therefore used most efficiently. Most assets should be first recorded in the asset register at their actual purchase cost. In some cases, the purchase cost may not be known at acquisition, therefore a nominal fee of £1.00 should be entered. The date of acquisition, location and disposal should be included within the asset register.

5.73 We reviewed the asset register managed by the Clerk/RFO dated 2019/20. The total asset value was recorded as £238,681.82 which appears to be last updated on the 01/12/2019. The asset register did not include a good level of detail to identify the assets or their locations as most asset descriptions were grouped together for example Grit bins which doesn't state how many were purchased at the time and the location states 'around town'. For asset management purposes there is insufficient detail to verify the

quantity and locations. Another example is the allotment gardens that do not contain a nominal purchase cost or land registry reference details. Improvements should be made to the asset register with a breakdown or corresponding detail of the assets grouped together. An example of an improved asset register would include the following details and a separate register for asset purposes.

Asset Ref No	Category	Description	Location	Date Acquired	Qty	Total Value	Replacement Value (for insurance purposes)
--------------	----------	-------------	----------	---------------	-----	-------------	--

5.74 Although Financial Regulation 14.6 refers to the verification of tangible assets to be carried out annually, we note that no arrangements have been made to confirm that the audit of physical assets has been undertaken to verify their existence.

5.75 The council doesn't hold any investments although they are looking at investing funds with CCLA once the Town Clerk/RFO returns to work.

OBJECTIVE H: RECOMMENDATIONS	
R30:	That an annual inspection of the asset register items is carried out to ensure that all items listed can be physical verified in accordance with Financial Regulation 14.6.
R31:	That improvements are made to the asset register to include asset reference numbers, location/land registry details, quantity and replacement values for insurance purposes.
R32:	That the updated asset register is reviewed against the insurance policy to ensure that all insurable assets are covered under the insurance policy.

5.76 Periodic Bank Reconciliations

I	Periodic and year-end bank account reconciliations were properly carried out.
Aim: To provide assurance that bank reconciliations were carried out on a regular basis and reported to Council.	
Internal Audit Response	To be Reviewed at Year-End

5.77 The bank reconciliation is a key tool for the management of the accounts as it assists with regular monitoring of cash flow which aids the authority with their decision making. Bank reconciliation statements were carried out on an ad-hoc basis and reported to the Policy and Finance Committee.

5.78 Year End Bank Reconciliation

We will undertake testing in this area at our year-end audit visit.

5.79 Remaining Internal Audit Objectives

- The remaining internal audit objectives (J, K, L, M, N, O) will be considered at the year-end visit.
- Some of these objectives may not apply to the town council.

6. Other Matters

6.1 The Council has a separate bank account and is acting in an administrator capacity for Beverley in Bloom. The Council has no powers to hold funds on behalf of third parties and it is recommended that the monies are administration is transferred as soon as possible. Guidance was provided to the Deputy Clerk during our visit.

6.2 We understand that the council has received challenge correspondence against the accounts for the previous financial year 2019/20 which are under consideration by the external auditors. Although these matters were drawn to our attention and correspondence received from a member of the public, it is not within our role as the independent internal auditor to get involved as the matters fall outside the scope of our work.

-----END OF REPORT – RECOMMENDATIONS ACTION PLAN ATTACHED -----

Beverley Town Council Recommendations - Interim Internal Audit Report 2020/21

1. Appendix A – Recommendations Action Plan

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
1	That the council considers a review all the accounting entries, in particular the income entries to ensure that they have been coded correctly and linked to the correct boxes that would provide the figures for the year end accounting statements that form part of the AGAR.	4			
2	That consideration is given to the management and administration of the Mayors charity in accordance with the legal requirements set out in the Local Government Act and the Charity Commission Law.	4			
3	That the Standing Orders and Financial Regulations are reviewed to ensure the financial stipulates correspond to each other (in particular SO 18)	9			
4	That the schedule of payments presented to council or committee includes an authorisation column that should state the authorisation reference which may be a Financial Regulation reference for payments made in accordance with a contract or direct debit arrangement, a scheme of delegation authorisation or a council or committee minute reference.	9			
5	That the Scheme of Delegation is reviewed to confirm if standing committees are delegated any budgets to incur expenditure and any delegations to correspond to the councils budget.	0			
6	That the purchase order template on the RBS system be reviewed to include details for authorisation reference, authorising and approving officer or alternatively a purchase order stamp be used to record these details.	9			
7	That all purchase orders are countersigned by another officer to ensure there is a segregation of duties of the Town Clerk and RFO who may be the same authorising and approving officer.	9			
8	That copies of all signed purchase orders are retained on file and a copy to be attached to the invoice on payment for audit purposes.	9			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
9	That an authorisation stamp is used for all invoice payments. An authorisation stamp could include details for Certifying Officer; Authorisation reference; Purchase Order number; System Code; Date Paid and Payment Type which could include details of the cheque number, direct debit arrangement or bank transfer reference.	9			
10	That the authorisation reference field is completed within the RBS Omega Accounting system.	9			
11	That sufficient evidence is appended to the invoices for payments made via bank transfer to provide an adequate audit trail and verification that the online payment corresponds to the invoice.	9			
12	That the council and officers comply with the councils Financial Regulations, in particular contract thresholds and where required, estimates, quotes and tenders be obtained.	9			
13	That consideration is given to obtaining a professional HR fixed fee service which may achieve best value for money.	10			
14	That the CCTV Service Level Agreement is reviewed with East Riding Council to ensure that the council is receiving best value for money. A copy of the agreement to be retained on file.	10			
15	That all council officers record estimates and quotations in a quotations database created by the RFO.	10			
16	That the arrangements for the credit and debit cards are reviewed to stipulate the limits for the cards, procedures for managing the use and cancellation in the event the card holder leaves the organisation. The procedures to be reflected in the councils Financial Regulations.	10			
17	That consideration is given to obtaining a professional HR fixed fee service which may achieve best value for money.	10			
18	That the Councils considers developing and adopting Risk Management Statements and Policies in accordance with Financial Regulation 17.1.	11			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
19	That the risk assessment document is reviewed by the council to include all key risks facing that impact on service delivery and prevent the council from delivering its objectives. This should include business continuity measures. The risk document should include a risk rating criteria of the potential consequences and the likelihood for each individual risk.	11			
20	That the council considers developing and adopting GDPR policies to comply with the GDPR regulations that came into force on the 25 May 2018. Model policies can be obtained from SLCC or the local county association.	11			
21	That the councils reviews its IT back-up arrangements having regards to GDPR and data loss.	11			
22	That the council follows the budgeting process as set out within the guidance contained within the practitioner's guide.	13			
23	That the council develops project plans or a business case inclusive of a time-frame for delivery to support the budgeting process that will assist members to determine the costs for ear-marked reserves.	13			
24	That the level of general reserves it reviewed to ensure it is within the recommended guidelines of 3-12 months of Net Revenue Expenditure (NRE). Note: The larger the authority the nearer to 3 months reserves should be retained for example, any authority with an NRE in excess of £200,000 should plan on 3 months equivalent General Reserve.	13			
25	That the full council receives budget monitoring statements in accordance with Financial Regulation 4.8.	13			
26	That the requirements of the petty cash are reviewed and that any outstanding money is paid into the petty cash and that the Financial Regulations are updated accordingly	14			
27	That an examination of employee salaries is undertaken to confirm that the correct salary payments have been made in accordance with the contract of employment taking into account the new NJC pay scale points applicable from the 01 April 2019. Employees should be provided with documentation to confirm the transfer of the new pay points and the new SCP pay point that is applicable to their post.	16			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
28	That all overtime is sanctioned in advance and recorded on the timesheets accordingly and submitted to payroll. Timesheets to be retained on file.	16			
29	That the Chairman's allowance is paid in accordance with the PAYE scheme via the payroll provider.	16			
30	That an annual inspection of the asset register items is carried out to ensure that all items listed can be physical verified in accordance with Financial Regulation 14.6.	17			
31	That improvements are made to the asset register to include asset reference numbers, location/land registry details, quantity and replacement values for insurance purposes.	17			
32	That the updated asset register is reviewed against the insurance policy to ensure that all insurable assets are covered under the insurance policy.	17			