



# Beverley Town Council Internal Audit Report [Interim]

Financial Year Ending 31st March 2022

Date of Interim Visit: 02 December 2021

Date Report Issued: 13 January 2022

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](mailto:info@internalaudityorkshire.co.uk)

Web: [www.internalaudityorkshire.co.uk](http://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.**

# 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 2021], 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 02<sup>nd</sup> December 2021.

- Book Keeping and Periodic Bank Reconciliations
- Standing Orders and Financial Regulations
- Payment Controls and Expenditure Testing
- Credit and Debit Cards
- Mayors Charitable Funds
- 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 and Investment Registers

We would like to thank the Acting Clerk/RFO Matthew Snowden and the Admin Team for all their help and assistance during the audit.

## 5.1 Findings

### Book-Keeping

**Internal Control Objective:** 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.

## 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. Due to the long-term absence of the Clerk and RFO, the council has appointed the Deputy Clerk to act as the Councils Town Clerk and Responsible Financial Officer. 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 continues to operate the cashbook using the RBS Omega accounting system that is operated by the Finance Officer under the direction of the Acting Clerk.

5.4 The RBS Omega accounts software continues to be used for the day-to-day entry book keeping, reconciliation of the bank accounts, preparation of the VAT returns for submission and purchase orders. In our 2020/21 audit report we noted that the Town Council had eight bank accounts. Some of these accounts have been closed and others renamed due to internal changes by the existing banking provider. We reviewed the bank account statements and verified that these corresponded to the cash-books set-up on the RBS system. The active accounts are:

- 1) Virgin Money Business Account – Current Account (Previously Yorkshire Bank)
- 2) Virgin Money Cash Management Account – Deposit Reserves Account (previously Yorkshire Bank)
- 3) Yorkshire Bank - Youth Support (last reconciled at 31 March 2021)
- 4) Beverley Building Society Bond (last reconciled at 31 March 2021)

5) HSBC - Beverley in Bloom - Closed on 02 July 2021 and the outstanding balance of £956.52 transferred to the Yorkshire Bank Current Account (now operating as Money Virgin account).

5.5 We reviewed the cashbook to confirm that the previous year's annual return figure in box 7 '£794,116' 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 A review of the expenditure transactions was carried out for the month of July and a sample was selected for data input checks against the cashbook, invoice and bank statements. We found that the transaction entries audited had been inputted and coded correctly on the RBS Accounts system with the exception of two transactions that were queried. We found that the two transactions recorded in the cashbook had been paid against a purchase order that had been entered on the purchase ledger. We found that the transaction entry did not show the breakdown of the VAT on the cashbook print out. We discussed this with the Finance Officer and the Clerk during the visit and it was explained that the VAT had been accounted for on the purchase ledger system.

- Payment to Antifreeze (York Ltd) – Gross amount of £6,360.00 entered in the cashbook with no VAT breakdown of £1,060 showing in the cashbook VAT column.
- Payment to Blachere Illumination UK Ltd – Gross amount of £464.40 entered in the cashbook with no VAT breakdown of £77.40 showing in the cashbook VAT column.

5.7 The two transaction entries above were checked against the VAT reclaim 'end date of assessment month 6' which confirmed that the accounting system had accommodated the VAT paid for transactions on the purchase ledger system. The overall book-keeping and accounts had been maintained and kept up to date by the Finance Officer up to the end period of November 2021.

## Periodic Bank Reconciliations

**Internal Control Objective:** 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.

## 5.8 Periodic Bank Reconciliations

5.9 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. Internal audit testing in this control area requires the auditor to provide assurance that the bank reconciliations are prepared routinely and are subject to independent scrutiny and sign off by members.

5.10 The practitioners guide states that reconciling of the cash book to bank statements should be reported to members, and the full reconciliation made available for their scrutiny each time it is done. We noted that although the bank reconciliations for all accounts were routinely prepared by the Finance Officer, they had been verified by two current signatories which is not regarded as best practice. We found that the bank reconciliation verification checks were not reported to Council or the Policy and Finance Committee whom are discharged to oversee the management of the councils' finances. Approval of the bank reconciliation by the Council or the Chair of Policy and Finance or another nominated member whom are not signatories to the account is not only good practice but it is also a safeguard for the RFO.

5.11 We reviewed the bank reconciliation statement at 31 July 2021 against the original bank statements. No issues were identified in this area. The balances for the accounts were noted:

- Virgin Money Business Account (previously Yorkshire Bank Current Account) - £736,882.92

- Virgin Money Cash Management Account (previously Yorkshire Bank – Deposit Reserves Account) - £25,467.19
- Youth Support Account (last reconciled at 31 March 2021) - £1,500.67
- Beverley Building Society Bond (last reconciled at 31 March 2021) - £83,953.18

5.12 We reviewed the Financial Regulations and noted the internal controls for the scrutiny of bank reconciliations stipulated at point 2.2 which states that ‘On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council’. We recommend that both members and officers should ensure compliance of Financial Regulation 2.2 which would conform with the internal control objectives for this control area.

#### RECOMMENDATION

<b>R1:</b>	To ensure that the bank reconciliation statements for all accounts are reported to Council or duly delegated committee at least once in each quarter and at each financial year end and that a member other than a cheque signatory signs and verifies the statement against the original bank statement in compliance with Financial Regulation 2.2. This activity on conclusion should be recorded in the council minutes.
------------	--

#### Standing Orders - Financial Regulations - Payment Controls and Expenditure Testing - Credit and Debit Cards – Mayors Charitable Funds

**Internal Control Objective:** 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

### 5.13 Standing Orders and Financial Regulations

5.14 The Councils Standing Orders, Financial Regulations and other internal policies, for example the Scheme of Delegation set out the arrangements for financial control and how the council will carry out its business. These documents were formally adopted by full council at the meeting held on the 20 September 2021 following a review carried out by the Policy and Finance committee. We reviewed the Standing Orders and Financial Regulations to confirm that procedures and values for formal tenders (exceeding £25k) were consistent with each other. There were no issues identified in this area.

5.15 The Financial Regulations contained adequate internal controls for the management of finances and continue to remain unchanged in the latest adopted document. Financial Regulation 5.1 and 6.3 continues to refer to electronic payments and it is noted that the council has adopted an ‘Internet Banking Policy’ which determines the procedure for making electronic payments.

5.16 Financial Regulation 6.15, 6.16 and 6.17 refer to internet banking arrangements. We discussed the internet banking payments with the Acting Clerk who confirmed that although councillors may authorise the payments, it had proven to be logistically difficult therefore the Finance Officer is authorised to act as the ‘Service Administrator’ and sets up all the online payments which are then authorized by the Acting Clerk (who can authorize transactions up to a maximum limit of £20,000) following a review and signing of invoices by councillors. It is noted that the Acting Clerk cannot set-up an online payment and authorise the same transaction. The procedure contained in the Policy does not entirely correspond to the internet

banking arrangements detailed at Financial Regulation 6.15, 6.16 and 6.17. We would recommend that there is a reference contained within this section that refers to the Internet Banking Policy and that regulation 6.15 includes additional wording that refers to the Finance Officer acting as a 'Service Administrator' to set-up online payments.

## 5.17 Payment Controls and Expenditure Testing

5.18 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 Clerk in conjunction with the Chairman of Council or Appropriate Committee for items below £2,000
- Emergency expenditure up to £2,000

5.19 The amount for emergency expenditure has been reduced by £500 since the Financial Regulations were reviewed and adopted in September 2021.

5.20 Financial Regulation 5.5 remains unchanged which provides the Clerk and RFO with delegated authority to authorise payments only in the circumstances stipulated. We discussed Financial Regulation 5.5b that provides the Clerk and RFO with the delegation to authorise an expenditure item authorised in accordance with financial regulation 5.6 (continuing contracts and obligations) provided that a list of such payments is submitted to the next appropriate meeting of Full Council or Policy and Finance Committee. The Acting Clerk confirmed that there is no list of continuing contracts and obligations that have been approved by the committee or council. We noted that although the list of expenditure payments is approved by committee, it contained payments that had been paid in advance of the schedule being approved. It is recommended that a list of continuing contracts and obligations is drawn up and approved by council for each financial year or alternatively that delegation is considered for the Clerk/RFO to authorise payments for expenditure previously authorised by council and to report them with the payments schedule presented to council or committee.

5.21 The Scheme of Delegation was reviewed to confirm the delegated authority to incur expenditure for committee and Officers and if the delegation parameters corresponded to the Financial Regulations. We note that committees that had delegated authority to spend in the last financial year, no longer had delegated authority to spend or budget responsibility.

- (1) Policy and Finance Committee – No delegation for budget responsibility or to incur expenditure
- (2) Planning, Environment and Services Committee - No delegation for budget responsibility or to incur expenditure
- (3) Christmas Lights Committee – Delegation to incur expenditure
- (4) Grants Committee - No delegation for budget responsibility or to incur expenditure
- (5) Personnel Committee – No delegation for budget responsibility or to incur expenditure
- (6) Town Clerk - Authorisation of routine expenditure within the agreed budget.
- (7) Town Clerk - Emergency expenditure up to £2,000

5.22 We noted that the Scheme of Delegation allows the Town Clerk to incur routine expenditure up to the amounts included within the agreed budgets, however Financial Regulation 4.1 requires consultation with the Chair of the Council or Appropriate committee. The council should ensure that the expenditure

delegations for the Town Clerk in the Financial Regulations and Scheme of Delegation correspond to each other.

5.23 We reviewed the schedule of payments presented to the Policy and Finance committee. As referenced earlier in the report, it was difficult to identify which payments had been authorised for payment in advance of the payments schedule being presented to members.

<b>Policy and Finance Committee Meeting Date</b>	<b>Payment period</b>
17 May 2021	01 April 2021 to 29 April 2021
21 June 2021	01 May to 31 May 2021
06 September 2021	01 June to 31 August 2021
15 November 2021	01 October to 31 October 2021

5.24 We recommended in our last financial year audit that the payments schedule presented to committee include appropriate authorisation references entered on the system that identifies the authority to spend/incur the item of expenditure showing a clear audit trail of where the expenditure originated from. We found that although the authorisation reference in the accounting system has been used consistently with authorisation references, on audit testing we could not work back the audit trail to the authorisation references recorded on the accounts system against the council minutes/documents. It is recognised that the majority of the payments may be ongoing contractual payments for example E-on and it may be difficult to locate the minute reference authorisation but it may be that the payment is in accordance with a contract agreement in which case the authorisation reference could state 'Contract'. If the payment could be tracked back to a purchase order that would contain the authorisation reference which may be a minute resolution or an officer delegation in accordance with Financial Regulation 4.1 and therefore the system could record the PO number as the authorisation reference or the Officer Delegation. Another example is the salary payments which could indicate the authorisation reference as 'Contract FR 7' which indicates that there is a contract in place and Financial Regulation 7 relates to salaries. For audit purposes and in compliance with the Financial Regulations it is important to have a clear audit trail that can demonstrate the authorisation that allowed that item of expenditure to be incurred which can be traced back to the relevant documents.

5.25 We carried out a review of the invoices as part of the audit checks against the procedures in the Financial Regulations for ordering goods and services and making payments. We had recommended in the last financial year audit that a suitably designed accounts authorisation stamp to be used for all invoices, for providing evidence of checks as required by the councils Financial Regulations which could include details of:

- The Authorisation references (authority to incur expenditure)
- Purchase Order number / Contract
- Certifying Officer (instruction to make payment)
- System Code
- Payment Date and Type

We noted that during the earlier part of the financial year from June onwards an authorisation reference sheet was introduced to record this information. We found that whilst improvements were made to this area, additional information should be considered that would assist with a clear audit trail. See appendix of current checks and recommended detail for inclusion.

## Current Certification Sheet

**Beverley Town Council**  
Process for Payments

**BEVERLEY TOWN COUNCIL**  
WORKING AS A COMMUNITY

**OFFICERS**

Signature	Date
RFO approval	
Inputted RBS	
Authorisation Ref	
RBS Code	

**COUNCILLORS**

Signature	Date
Councillor approval 1 for payment	
Councillor approval 2 for payment	

**FINAL ACTIONS**

Signature	Date
Inputted on Internet Banking	
Authorised on Internet Banking	

**Type of Payment**

Please tick

Standing Order  
 Direct Debit  
 Electronic Payment  
 Credit Card  
 Debit Card  
 Cheque (number \_\_\_\_\_)

23/6/21

## Recommended Detail for inclusion

- Expenditure Authorisation
  - Authorisation to Incur Expenditure: *insert reference*
  - Purchase Order: *insert PO number, letter reference or contract reference (see FR 10)*
  - Invoice Certified for Payment: *insert RFO certification (see FR 5.3 + 5.4)*
- Instruction for Payment
  - Authorisation for instruction of payment: *insert minute reference/Officer Delegation and date*

5.26 We reviewed the contractual thresholds for obtaining quotes and tenders which remain unchanged.

£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

5.27 We carried out testing for seven transactions for compliance with the contract values above and the requirements of the Financial Regulations. Our findings are summarised:

- (1) 27/04/21 - Sales invoice to Helping Hand – no minute reference on the face of the invoice. £549.40 + VAT – Children Litter Pickers – No PO attached. Unable to trace back the authorisation reference recorded on the RBS System.
- (2) 06/04/21 – Helping Hand - £665.40 – Adult Litter Pickers - No PO attached – No authorisation recorded on the face of the invoice. Unable to trace back the authorisation reference recorded on the RBS system.
- (3) 06/05/21 – UK Safety Management - £183.35 - Sales invoice for PAT Testing at the office - No PO attached to the invoice or authorisation reference number. Unable to trace back the authorisation reference recorded on the RBS system.
- (4) WPS Insurance - £3,470.68 + IPT. Annual insurance renewal. 3 Year contract from May 2020 to May 2023.
- (5) 23/06/2021 - Chubb — Annual CCTV Contract. £128.46 – No PO attached to the invoice.
- (6) 25/06/2021 - Peter Nendick — Honararium – No formal minute resolution/authorisation by council. Authorisation reference on RBS system unable to be traced back.
- (7) 24/06/21 - D H Fletcher – Office Rent - £3,500. No PO attached to the invoice or authorisation reference to confirm a contract is on file. Query raised with the Acting Clerk and advised that a contract should be retained by the Council.

5.28 We noted that from the three high value transactions tested ranging between £1,000 to £5,000;

- one transaction was on a 3-year contract;
- the office hire contract could not be located;
- the honorarium payment was paid on receipt of a letter received from the supplier.

Advice was provided to the Acting Clerk on the general rules around honorariums (ex-gratia) payments which is any sum considered to be awarded to the recipient by the council and the difference between making a payment in return for a service on receipt of a letter requesting payment. It is important for the Council to distinguish between the two types of payment as it may impact on HMRX Tax rules.

5.29 Although the council has addressed the recommendations since the last interim audit report within this control area and the actions implemented which shows a good improvement since the last year, there continues to be the absence of key audit information to comply with the requirements of the Financial Regulations. This was discussed with the Acting Clerk and we note that the council has had a challenging year largely due to the long-term absence of their qualified Clerk and RFO and we would recommend that Finance training is delivered to officers and members which could assist with a greater understanding of the procurement procedures and how they link with council/committee and officer delegations.

### **5.30 Credit and Debit Cards**

5.31 The council continues to operate 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. The credit card is registered in the name of the Clerk/RFO and the debit card is in the name of Beverley Town Council. The Debit Card transactions were reviewed. There were approximately 11 debit card transactions in a six-month period for ad-hoc items for example, stationary, DIY and cleaning products. The credit card transactions for the first six months of the financial year were reviewed. A total of £1,544.35 of payments were made and related to purchases on amazon for stationary, postage, email storage and Zoom payments amongst other ad-hoc small items.

5.32 We note that in the latest version of the Financial Regulations the council has not considered introducing additional controls to stipulate the usage of the card for example the use could be restricted to purchases that cannot be made via the normal ordering process. We note that there is a restriction of a single transaction to the debit card to a maximum limit of £500.00 unless authorised by the council of Policy and Finance committee in writing. The credit card does not include the limits placed on the credit card and there are no procedures in place to ensure that the card is cancelled in the event the card holder leaves the organisation. We would recommend that additional controls are introduced to the Financial Regulations.

### **5.33 Mayors Charitable Fund**

At our last interim audit, we had recommended that consideration is given to the management and administration of the mayor's charity account in accordance with the legal requirements set out in the Local Government Act and the Charity Commission Law. We note that the council considered various options for the management of the Mayors Charity and closed the separate bank account that was operational in the last financial year.

5.34 The new arrangements for the administration of the Mayors Charity require the mayor to nominate a Charity and donations are made directly to the nominated Charity who then become the accountable body for the purposes of complying with the Charity Commission Law. The Acting Clerk confirmed that although this arrangement was working well, there had been some challenges in selling tickets for the

Charity events and that the Town Councils bank accounts were receiving the sale of ticket money which would then be paid to the nominated Charity.

5.35 We were informed that changes had been commissioned to the Town Council website for the sale of the tickets for the Mayors Charity events. As the sole purpose of the sale of tickets is to go towards the nominated charity it is likely to fall within the bracket of Assertion 9 on the Annual Governance Statement which requires the council to declare if it holds Charitable Trust Funds and would require the council to follow the requirements set out on page 51 of the JPAG NALC Practitioners Guide 2021.

5.36 We discussed logistical options with the Acting Clerk whereby the council could remain involved in the administration of the ticket sales however the sale of the tickets would be made directly to the nominated charity. We would recommend that the council reviews the arrangements for the sale of tickets for the Mayors Charity and considers setting up a charitable trust board to comply with the Trust Fund requirements for local councils as set out in the Practitioners Guide or alternatively ensures all mayoral proceeds are made directly to the mayors nominated charity.

### 5.37 VAT

5.38 The Council is not VAT registered and continues to reclaim 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 Nominal Ledger control account to ensure that the correct VAT had been reclaimed. There were no issues identified in this control area.

Month	Date Submitted	Reclaim (£)
Quarter 1	01 July 2021	£1,299.70
Quarter 2	05 October 2021	£5,181.18
Totals:		£6,480.88

### RECOMMENDATIONS

<b>R2:</b>	That the Internet Banking Policy is referenced within the Financial Regulations internet banking section (6.15,6.16 and 6.17) and that there is reference to the Finance Officer acting in a 'Service Administrator' capacity to set-up online banking payments.
<b>R3:</b>	That a list of continuing contracts and obligations is provided to council or duly delegated committee each financial year for approval to allow payments to be made by the RFO in accordance with Financial Regulation 5.6. Alternatively, the council could review the Financial Regulation 5.5 and 5.6 and the parameters which allows the RFO to make the payments in advance of the payment schedule being presented to council.
<b>R4</b>	That the expenditure delegations for the Town Clerk in the Financial Regulations and Scheme of Delegation correspond to each other.
<b>R5:</b>	That additional detail is included as part of the expenditure audit sheet. Recommended detail to include: Expenditure Authorisation <ul style="list-style-type: none"> <li>- Authorisation to Incur Expenditure: <i>insert reference</i></li> <li>- Purchase Order: <i>insert PO number, letter reference or contract reference (see FR 10)</i></li> <li>- Invoice Certified for Payment: <i>insert RFO certification (see FR 5.3 + 5.4)</i></li> </ul> Instruction for Payment <ul style="list-style-type: none"> <li>- Authorisation for instruction of payment: <i>insert minute reference/Officer Delegation and date</i></li> </ul>

<b>R6:</b>	That the council introduces additional controls to the Financial Regulations to: <ul style="list-style-type: none"> <li>- Stipulate the usage of the debit and credit cards for example the use could be restricted to purchases that cannot be made via the normal ordering process</li> <li>- Maximum limit placed on the overall usage for the credit card and the maximum amount per individual transaction.</li> <li>- Procedures in place to ensure that the card is cancelled in the event the card holder leaves the organisation.</li> </ul>
<b>R7:</b>	That the council or duly delegated committee confirms the honorarium payment (if any) to be awarded to the councils Mace Bearer confirmed by minute resolution or alternatively the arrangement to be formalised by both parties to recognise the payment of Mace Bearer services to be invoiced to the council.
<b>R8:</b>	That the council reviews the arrangements for the sale of tickets for the Mayors Charity and considers setting up a charitable trust board to comply with the Trust Fund requirements for local councils set out in the Practitioners Guide or alternatively ensures all mayoral ticket sales are made directly to the mayors nominated charity.

### Risk Management Arrangements – GDPR – Back-up of Electronic Files

**Internal Control Objective:** This smaller authority assessed the significant risks to achieving its 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.

## 5.39 Risk Management Arrangements

5.40 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.

5.41 In our interim audit for the last financial year we reported weaknesses in this control area which concluded that the internal audit objective for risk management had not been met. The council has made good improvements to address the weaknesses in this control area by the introduction of Risk Management Policies to comply with Financial Regulation 16.1.

5.42 The internal control policy adopted by the council on the 07 June 2021 includes the arrangements for the effective management of risk and a system of internal controls designed to prevent and detect fraud and a review of its effectiveness. The policy outlines the procedure that the council will follow to carry out the review of internal controls which requires the appointment of a working group of councillors to complete an internal control checklist, at least on an annual basis and to report the outcome at a council meeting. We noted that in the first quarter of the financial year the council carried out a review of the internal control checks that was reported to full council at the September meeting (minute reference 70.01). Although the minute reference indicates that staff had responded to queries, it is good practice for the council to document the queries and/or any subsequent actions taken (if any) as a result of the review to ensure that the internal controls continue to remain effective.

- 5.43 We reviewed the Corporate Risk Register for the financial year ending 31 March 2022 which was formally adopted by the council at the meeting held on the 20 September 2021. The risk register is comprehensive and identifies a wide range of financial and reputational risk the council could be exposed to and the additional controls in place to mitigate the level of risk with a timeframe for completion. The risk assessment document is supported by a risk assessment matrix covering the likelihood and impact for each individual risk and the rating criteria which indicates the definition of the risk appetite and the action to be taken. The format of the risk matrix complies with the best practice requirements stipulated in the JPAG Practitioners Guide.
- 5.44 In our last audit report, the council was asked to consider the inclusion of all key risks facing 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. We note that although these key risks have been included in the risk register, additional work is required to reduce the level of risk the council is exposed to and/or ensure that additional controls are introduced where applicable. In particular, we reviewed the amber risks identified under the Governance and Staff Continuity headers. Although the register recognises the current controls in place for example the Deputy Clerk is in place as the Acting Clerk and that the council is currently short by 37 hours and that the Personnel committee is reviewing staffing levels; the register has not addressed the additional controls with time limited actions that could expose the council to greater risk. For example, the council has considered buying in services for event management that would have normally been carried out by the Town Clerk but it has not considered a time limited action for the additional controls required to address staff absences which could include buying in temporary administration support in the long-term absence of the Town Clerk which would cover the shortfall of 37 officer hours. The council is relying heavily on the Acting Clerk to provide cover for two full time roles but it has not assessed the potential risks associated with this and the additional controls that may need to be considered. We would recommend that the risk register as a live document remains updated and under review at all times and that further consideration is given to the risks associated with business continuity and staff cover for the Acting Clerk.
- 5.45 The council is tied into a three-year long-term agreement that expires on the 31 May 2023 with WPS Council Guard insurance providers. The insurance was renewed for year two of the long-term agreement on the 20 May 2021. Two new assets were added to the existing policy cover which related to the John Deere Mower & Trailer. The main insurable risks of public liability, employer's liability and fidelity guarantee remain in place. We will review the asset register against the insurance policy schedule at our year end visit.

## **5.46 General Data Protection Regulations [GDPR]**

- 5.47 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. The council has introduced and adopted a General Data Protection Policy on the 07 June 2021 (<https://www.beverley.gov.uk/wp-content/uploads/sites/75/2021/06/GDPR-Policy.pdf>).

## **5.48 Back-Up of Electronic Files**

- 5.49 Part of the risk management arrangements should include the back-up of the computer systems and files. The council has made arrangements since the last audit to appoint an IT company who are responsible for making frequent back-ups the hard-drive which is linked to cloud-based storage. This has allowed the council to enable remote working for council employees whilst ensuring data is backed up.

The new controls should provide the council with comfort that robust controls are in place to prevent data loss.

## RECOMMENDATION

<b>R9:</b>	That the Corporate Risk Register as a live document remains updated and under review at all times and that further consideration is given to the risks associated with business continuity and staff cover for the Acting Clerk.
------------	--

### Budgetary Controls and Financial Health

**Internal Control Objective:** 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.

## 5.50 Budgetary Controls and Financial Health

- 5.51 The preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, in setting the precept for the year and it provides officers with the authority to make spending commitments in accordance with approved plans and for monitoring progress during the year by comparing actual spending against planned spending.
- 5.52 The detailed guidance for each stage of the budget setting is set out in the Governance and Accountability Practitioners Guide. In our last financial year audit (2020-21) we recommended that the council followed each stage of the budgeting process in addition to following the requirements set out in Financial Regulation 3.
- 5.53 In our earlier part of the report we noted that with the exception of the Christmas Lights committee, no other committee has any budget responsibility. We reviewed the draft budget document that was prepared by the Acting Clerk/RFO in discussion with members of the council. The base budget which included a three-year forecast was considered by the Policy and Finance committee who are responsible for preparing the council's annual financial plan for the purposes of setting the precept to be agreed by council.
- 5.54 The budget document was reviewed which detailed the three-year forecast, projected balances to 31 March 2022 and the next year budget. The council reserves for earmarked projects had been included in the budget for the 2022/23 financial year for the purposes of calculating the precept and there was a further breakdown of the reserves that had been considered by the Policy and Finance committee at the meeting held on the 11<sup>th</sup> October 2021. We noted that although the column for current year budget showed the agreed budget and projected year end calculation, it did not show the year to date income and expenditure. This level of detail can assist members to understand the variance and the detail behind the proposed budget for the next year. It was further noted that the current year agreed expenditure budget showed a total expenditure of £991,300 which was not a true reflection of the agreed expenditure budget for the 2021/22 financial year which was £441,300. The budget document showing the figures for the current year were not the same figures as those agreed and approved by the council as they included the reserves for the current year. The budget document did not detail a three year projection for the income, and actual year to date figures. The proposed expenditure budget for 2022/23 showed £1,033,557 and a breakdown of:
- £283,214 to be funded from the precept

- £653,507 of earmarked and general reserves
- £71,750 of new reserves
- £25,086 of income

5.55 We attempted to project the precept calculation based on the data available. This could not be calculated accurately as there was no detail to demonstrate how the opening balances for 2021/22, projected balances for 31 March 2022 and the use of reserves contributed towards the shortfall to be contributed by the precept request of £282,828.72. We note that the information and data presented for the agreed budgets did not correspond to historic agreed budgets. In addition to this the budget income and expenditure were grouped together with the inclusion of general and earmarked reserves which were then shown in a separate column in addition to being part of the next year budget. If the council is expecting the funds to be used in the next financial year then the budget should show in the next year agreed budget column and if the council is allocating funds for a specific purpose that would be funded at some point in the future ie an earmarked reserve then this should show as an earmarked reserve. We would recommend that that RBS Omega Accounting software is used to prepare the budget with an executive summary that could be prepared in excel to demonstrate how the precept has been calculated and how all the spending projections and plans for the next year are calculated for the purposes of agreeing the level of precept to be levied. The use of an excel spreadsheet to prepare a detailed breakdown budget by extracting data from a primary accounting record could lead to a duplication of data, error, omission and miscalculations. We would recommend that the budget document is reviewed again to ensure that the data is accurate and that the RBS system is used to record the budget detail for income and expenditure. We will review this area again at our year end visit and obtain a greater understanding from the RFO on the precept calculation. We would recommend budget training for members and officers and that keys stages of the budgeting process set out in the Governance and Accountability Practitioners Guide are considered as part of the budget preparation.

5.56 Reviewing the current year budget against actual expenditure on a regular basis gives members early warning about the likelihood of a shortfall (or surplus) and helps them to decide what responsive action to take. In accordance with Financial Regulation 4.8, the council received quarterly budget performance monitoring reports for all accounts that were reported to full council and recorded in the council minutes.

5.57 We note that the development of a General Reserves policy is being progressed by council.

## RECOMMENDATIONS

<b>R10:</b>	That the RBS Omega Accounting software is used to prepare the budget with an executive summary that could be prepared in excel to demonstrate how the precept has been calculated and how all the spending projections and plans for the next year are calculated. The budget detail should detail the approved income and expenditure budget for the current year, current year actuals and projections at the 31 March.
<b>R11:</b>	That budget training is delivered to members and officers and that keys stages of the budgeting process set out in the Governance and Accountability Practitioners Guide are considered as part of the budget preparation.

## Income Control including the Precept

**Internal Control Objective:** 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.

### 5.58 Income Controls Including the Precept

5.59 The precept represented the largest income received by the council. We reviewed the precept request of £272,794 that was agreed by council at the meeting held on 11<sup>th</sup> January 2021 and can confirm that this amount was received in two equal installments of £136,447 in April and August 2021.

5.60 We reviewed a breakdown of the income receipts from the 01 April 2021 to the 30 September 2021. In addition to the precept, the council 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. The council continues to monitor allotment rents on the RBS system where each individual allotment plot has an account which monitors the income received. Due to the Covid-19 pandemic the council reduced the allotment rents by 50% but for the current financial year the rents reverted back to their normal charges with the exception of the plots at the 'Kelgate Site' (min reference PPS 9/3/21 and 153/20) where the council have no rent to be paid due to flooding representing a loss of £485.00 income. The total income for allotments at the 30 September was £6,527 representing 92.1% of expected income. There was outstanding rent of £74 at the end of month six of the financial year. We are informed that the Finance Officer is responsible for reviewing outstanding debtors that are referred to the Administration Officer to follow up with tenants on behalf of the council.

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

- Quarter 1 - £1,299.70 – received on 13 July 2021
- Quarter 2 - £5,181.18 – received on 18 October 2021

## Petty Cash Procedures

**Internal Control Objective:** Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for

**Aim:** Obtain assurance that petty cash controls are in place and operating effectively

### 5.62 Petty Cash Procedures

5.63 The council does not maintain any petty cash floats and Financial Regulation 6.21 has been updated to reflect this change following our recommendation in the last financial year interim report. We are informed that the outstanding petty cash balance was repaid to the accounts.

## Payroll Controls – Members and Chairman’s Allowance

**Internal Control Objective:** Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, 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.

### 5.64 Payroll Controls

5.65 The council has four employees and the payroll remains outsourced to TG Group. Employees receive their salary via bank transfer following approval of payroll reports by the Acting Clerk/RFO. We note that the Deputy Clerk was appointed as the Acting Clerk/RFO due to the long-term sickness absence of the Town Clerk/RFO. Several changes were made to employees’ remuneration and approved by council at the meeting held on the 07 June 2021, minute reference 36.2 but we note that the increase of 10 hours per month for the Finance Officer was not formally approved by council.

Post Holder Job Title	Contracted Hours
Employee 1	37 hours per week – Confirmation of pay point 33.
Employee 2	35 hours per week – Appointed as the Acting Clerk/RFO with temporary pay uplift to point 31 effective from 01 January 2021.
Employee 3	Formerly two separate contracts were issued with two different pay rates. New job description issued from April 2021 for 22 hours and new title of Administration Officer effective from 01 January 2021. Contract variation letter issued dated June 2021. Agreed Pay Point 10.
Employee 4	Hours increased from 6 hours per week (equivalent to 26 hours per month) to 35 hours per month. Agreed pay to Point 9. Change of Job Title to Finance Officer and pay effective from 01 January 2021. New Job description issued from April 2021 for 35 hours per month. No minute resolution to approve increase of hours.

5.66 We reviewed the contract variation letters issued to all employees in June 2021 but note that the employees had not responded to the letter to confirm and acknowledge agreement of changes. We would recommend that all employees sign a copy of the letter to acknowledge their agreement to the variation of the Employment Contract.

5.67 The NJC salary scale pay points for local government employees remain unchanged since the last NALC/SLCC pay award agreement for 2020/21. The pay award for 2021/22 is under negotiation and the proposed changes include 1.75% increase. This pay award once agreed would need to be back-dated to employees from the 01 April 2021. We carried out payroll testing for the month ending September 2021. We have summarized the pay points for all employees agreed by council.

Post Holder Job Title	New SCP NJC Pay point 01 April 2020 to 31 March 2021
Employee 1	Annual FTE £36,922 - SCP 33 - £19.19 p/h
Employee 2	Annual FTE £34,728 - SCP 31 - £18.05 p/h
Employee 3	Annual FTE £21,322 - SCP 10 - £11.08 p/h
Employee 4	Annual FTE £20,903 - SCP 9 - £10.86 p/h

5.68 We carried out a sample of staff salaries for the payroll period ending September 2021 to test if the gross salaries were calculated in accordance with the pay rates agreed by the council and in accordance with the NJC spinal pay points and contracted hours. The gross salaries for all staff were calculated

correctly with the exception of the Town Clerk/RFO. The overtime sheets for the Acting Clerk and Finance Officer were reviewed to ensure they had been authorized prior to being processed by payroll. We found that whilst a record of overtime was retained the sheets had not been signed off for audit purposes. We would recommend that the Acting Clerk/RFO signs the overtime sheets for all staff as their line manager and that the timesheets for the Acting Clerk/RFO are signed by the Chair of the Council or Chair of the Personnel Committee as determined by the council. We can confirm that HMRC payment deductions corresponded to the payroll records and were paid to HMRC in a timely manner and local government pension contributions paid.

5.69 We reviewed the sickness pay for a postholder and we were informed that there was an oversight in the payroll for the period of July which had not been calculated in accordance with the sickness pay clauses in the employment contract. We reviewed documentation and carried out audit testing which confirmed that the sick pay was calculated correctly by the payroll provider for the month of July. We noted that the gross pay for July was paid at the same patterns for the period of August and September. This was calculated as an overpayment of £992.54 by the council staff. On audit testing we found that the overpayment was calculated correctly with a difference of 1p due to rounding up. The post-holder has been informed that the overpayment will be recovered in two equal installments for payroll periods of November and December.

5.70 We note that the council have agreed to pay a home working allowance in accordance with the HMRC homeworking allowance rules and a payment of £26.00 a month was paid to the Administration Officer and Finance Officer with the monthly pay. We note that no home working allowances were paid to the Acting Clerk/RFO due to the majority of hours worked from the council offices.

## 5.71 Members and Chairman Allowances

5.72 The Town Council continues to pay its members a basic allowance of £250.00 per annum which is paid via payroll and Tax and NI contributions are deducted accordingly. Payroll evidence was reviewed for several members and no issues were identified in this area.

5.73 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 £1,500 allowance for the Chairman/Mayor was paid via payroll on the 27 July 2021 and Tax and NI contributions were deducted accordingly.

### RECOMMENDATIONS

<b>R12:</b>	That the increase in hours for the Finance Officer is formally approved by council.
<b>R13:</b>	That all employees sign a copy of their contract variation letter to acknowledge their agreement to the variation of the Employment Contract.
<b>R14:</b>	That the Acting Clerk/RFO signs the overtime sheets for all staff as their line manager and that the timesheets for the Acting Clerk/RFO are signed by the Chair of the Council or Chair of the Personnel Committee as determined by the council. Timesheets to be signed in advance prior to payroll processing and retained on file for audit purposes.

## Asset and Investment Registers

**Internal Control Objective:** Asset and investments registers were complete and accurate and properly maintained.

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

### 5.74 Asset and Investment Registers

5.75 We note that a fresh audit of a physical check of assets and an improved asset register is in progress to address the recommendations from the last financial year audit report. We will follow this up at our year-end audit visit.

5.76 The council has recently adopted an Investment Strategy: [https://www.beverley.gov.uk/wp-content/uploads/sites/75/2020/09/investment\\_strategy.pdf](https://www.beverley.gov.uk/wp-content/uploads/sites/75/2020/09/investment_strategy.pdf). We were informed that the council has made a short-term investment of £350,000 with CCLA. We reviewed evidence of two purchase contract notes comprising of a £150,000 and a £200,000 transaction dated 28 September 2021. As these investments are short-term there is no requirement for the transactions to be recorded in an investment register. The definition of short- and long-term investments are defined in the JPAG Practitioners Guide.

## 6. Audit Opinion and Other Matters

6.1 The council has made good progress to address the substantial number of internal audit recommendations made during the 2020/21 financial year. We were provided with an action plan that records the progress for each recommendation and subsequent action that is outstanding and/or in progress. We note that the action plan is under regular review by officers and members and agreed actions/updates are reported to council and recorded in the minutes. There have been some improvements to the control areas which received a negative response in the last financial year and where applicable we are satisfied that the council is likely to meet the requirement for adequate internal controls resulting in a positive assertion for the control area audited. Some areas require improvement and additional recommendations have been made to improve the internal controls and to ensure compliance with the Financial Regulations.

6.2 The external audit interim certificate has been received for the 2020/21 financial year which explains that certification cannot be completed due to challenge correspondence received in 2020/21 and/or prior years. We are informed that six areas of complaints were submitted in relation to the 2020/21 financial year with ongoing areas of complaint from 2019/20 financial year under review. Council should note that although these matters are drawn to our attention, it is not within our role as the independent internal auditor to get involved as the matters fall outside the scope of our work.

## 7. Gas Supply

7.1 Prior to sharing the draft internal audit report with officers on the 11 January 2022, our attention was drawn to the issues relating to the gas supply to the town councils rented premises at 12 Well Lane, Beverley. The Acting Clerk informed us that the Council does not have a gas supplier, despite using and receiving gas since 2004. As discussed, with officers, it is not the role of internal audit to undertake detailed inspection of council records in order to detect error or fraud. Internal Audit Yorkshire was appointed from the 2020/21 financial year as the internal auditor for Beverley Town Council amidst ongoing audit issues relating to the 2019/20 financial year that have been referred to the external auditor PKF Littlejohns for review. Whilst we have made over 30 recommendations during the 2020/21 financial

year audit, we have identified several weaknesses during this current financial year (2021/22) including the absence of a list of continuing contracts and obligations that should have been presented to council for approval in compliance with Financial Regulation 5.6. Our recommendation in respect of this matter is detailed at recommendation number 3. In addition to this recommended action, we would recommend that a contracts procurement timetable is created to list all the long-term contracts the council has in place and market testing of long-term contracts on a 3-5 year cycle should be undertaken in a timely manner prior to the expiry date of the contract to ensure best value for money. The contracts timetable should essentially list the details of the contracts including the commencement date and expiry date. This will assist the council to identify all the long-term financial commitments for the Town Council and it can be used as a tool to assist with procurement purposes when it is time for the council or committee to review the contract.

### RECOMMENDATION

<b>R15:</b>	That a contracts procurement timetable is created to list all council contracts and the contract values and that market testing of long-term contracts on a 3-5 year cycle is undertaken in a timely manner prior to the expiry of the contract period to ensure best value for money. The timetable should include sufficient detail to identify the start and end date of the contract; the contract value and details of the contract and responsible committee. The contracts timetable should be kept under regular review by the Responsible Financial Officer (RFO) and the Council / responsible committee for overseeing the councils' finances and reviewing contracts in accordance with the requirements of the Financial Regulations.
-------------	--

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

# Beverley Town Council

## Recommendations - Interim Internal Audit Report 2021/22

### 1. Appendix A – Recommendations Action Plan

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
1	To ensure that the bank reconciliation statements for all accounts are reported to Council or duly delegated committee at least once in each quarter and at each financial year end and that a member other than a cheque signatory signs and verifies the statement against the original bank statement in compliance with Financial Regulation 2.2. This activity on conclusion should be recorded in the council minutes.	4			
2	That the Internet Banking Policy is referenced within the Financial Regulations internet banking section (6.15,6.16 and 6.17) and that there is reference to the Finance Officer acting in a 'Service Administrator' capacity to set-up online banking payments.	9			
3	That a list of continuing contracts and obligations is provided to council or duly delegated committee each financial year for approval to allow payments to be made by the RFO in accordance with Financial Regulation 5.6. Alternatively, the council could review the Financial Regulation 5.5 and 5.6 and the parameters which allows the RFO to make the payments in advance of the payment schedule being presented to council.	9			
4	That the expenditure delegations for the Town Clerk in the Financial Regulations and Scheme of Delegation correspond to each other.	9			
5	That additional detail is included as part of the expenditure audit sheet. Recommended detail to include: <u>Expenditure Authorisation</u> Authorisation to Incur Expenditure: <i>insert reference</i> Purchase Order: <i>insert PO number, letter reference or contract reference (see FR 10)</i> Invoice Certified for Payment: <i>insert RFO certification (see FR 5.3 + 5.4)</i> <u>Instruction for Payment</u> Authorisation for instruction of payment: <i>insert minute reference/Officer Delegation and date</i>	9			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
6	<p>That the council introduces additional controls to the Financial Regulations to:</p> <ul style="list-style-type: none"> <li>• Stipulate the usage of the debit and credit cards for example the use could be restricted to purchases that cannot be made via the normal ordering process.</li> <li>• Maximum limit placed on the overall usage for the credit card and the maximum amount per individual transaction.</li> <li>• Procedures in place to ensure that the card is cancelled in the event the card holder leaves the organisation.</li> </ul>	10			
7	<p>That the council or duly delegated committee confirms the honorarium payment (if any) to be awarded to the councils Mace Bearer confirmed by minute resolution or alternatively the arrangement to be formalised by both parties to recognise the payment of Mace Bearer services to be invoiced to the council.</p>	10			
8	<p>That the council reviews the arrangements for the sale of tickets for the Mayors Charity and considers setting up a charitable trust board to comply with the Trust Fund requirements for local councils set out in the Practitioners Guide or alternatively ensures all mayoral ticket sales are made directly to the mayors nominated charity.</p>	10			
9	<p>That the Corporate Risk Register as a live document remains updated and under review at all times and that further consideration is given to the risks associated with business continuity and staff cover for the Acting Clerk.</p>	12			
10	<p>That the RBS Omega Accounting software is used to prepare the budget with an executive summary that could be prepared in excel to demonstrate how the precept has been calculated and how all the spending projections and plans for the next year are calculated. The budget detail should detail the approved income and expenditure budget for the current year, current year actuals and projections at the 31 March.</p>	13			
11	<p>That budget training is delivered to members and officers and that keys stages of the budgeting process set out in the Governance and Accountability Practitioners Guide are considered as part of the budget preparation.</p>	13			

No	Recommendation	Page No	Responsible Officer	Committee	Timescale
12	That the increase in hours for the Finance Officer is formally approved by council.	16			
13	That all employees sign a copy of their contract variation letter to acknowledge their agreement to the variation of the Employment Contract.	16			
14	That the Acting Clerk/RFO signs the overtime sheets for all staff as their line manager and that the timesheets for the Acting Clerk/RFO are signed by the Chair of the Council or Chair of the Personnel Committee as determined by the council. Timesheets to be signed in advance prior to payroll processing and retained on file for audit purposes.	16			
15	That a contracts procurement timetable is created to list all council contracts and the contract values and that market testing of long-term contracts on a 3-5 year cycle is undertaken in a timely manner prior to the expiry of the contract period to ensure best value for money. The timetable should include sufficient detail to identify the start and end date of the contract; the contract value and details of the contract and responsible committee. The contracts timetable should be kept under regular review by the Responsible Financial Officer (RFO) and the Council / responsible committee for overseeing the councils' finances and reviewing contracts in accordance with the requirements of the Financial Regulations.	18			