

# APPENDIX A: PREVIOUS AUDIT RECOMMENDATIONS

<b>AUDIT:</b> Tewkesbury Town Council	<b>DATE:</b> Followed up June 2016	<b>AUDITOR:</b> Tewkesbury Borough Council- Internal Audit
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## Recommendations:

CO No	Rec No	Risk (of non implementation)	Recommendation	Action to be taken	Implementation Date	Priority	Internal audit follow-up (May 2016)
A	1	Inappropriate books of account.	Review the recording and reporting of activity on the Mayor's Charity fund and the ongoing need of the flood account	<ol style="list-style-type: none"> <li>1. A record of income and expenditure should be maintained in respect of the mayor's charity fund and a reporting protocol established.</li> <li>2. Consideration should be given to the necessity of continuing with having the flood support account open.</li> </ol>	Implemented	N	<ol style="list-style-type: none"> <li>1. Income and expenditure in relation to the Mayors charity fund is now recorded through the Scribe system.</li> <li>2. Consideration given by council (18/05/16) who agreed to keep the account open.</li> </ol>
B	2	Non-compliance to financial regulations	The ordering and payment of goods and services should comply with financial regulations e.g. raising of orders and authorisation of payments.	<ol style="list-style-type: none"> <li>1. Quotes for all procurement activities should be obtained by council officers and reported to the relevant committee for approval.</li> <li>2. All orders and invoices should be properly authorised and to support this implement an authorised signatory sheet.</li> <li>3. Order books should be completed and the order attached to the invoice prior to payment.</li> <li>4. An exception list of goods and services which do not require orders needs to be approved.</li> <li>5. Prior to payment, the amount and details of works carried out should be checked against the contract/terms and conditions e.g. cleaning schedules, meter readings etc</li> </ol>	Partial implementation	E	<ol style="list-style-type: none"> <li>1. Can be demonstrated through recent works carried out to Watson Hall flooring.</li> <li>2. Not implemented- Invoices are not consistently authorised appropriately and authorised signatory list requires review, updating and initials added.</li> <li>3. The use of purchase orders has not been implemented.</li> <li>4. Partially implemented- exceptions in regards to suppliers of utilities and specialist services has not been completed and approved, however a list of suppliers in emergency situations was taken to Full Council and resolved as agreed.</li> <li>5. Verbal assurance provided by the Town Clerk and audit testing identified that the sample was being paid in accordance to the relevant contracts.</li> </ol>
	3	Non-compliance to financial regulations  Value for money.	Contracts and terms/conditions of works/services should be retained and monitored. To support this, the setting up of a contracts register would prove beneficial.	<ol style="list-style-type: none"> <li>1. A review of key expenditure should be undertaken to ensure that evidence of terms and conditions or formal contracts are in place.</li> <li>2. A contracts register (including start date, end date, review date and values for each contract) should be established and maintained.</li> <li>3. Contract performance should be monitored and reported.</li> <li>4. Evidence of council approval to emergency works contracts should be retained.</li> <li>5. Where appropriate, review all contracts to determine value for money is being achieved e.g. supply of gas/electricity.</li> </ol>	Partial implementation	E	<ol style="list-style-type: none"> <li>1. Town Clerk provided verbal assurance that this had been done. Evidenced in the Clean Space contract which was reviewed and renewed at Full Council on 18/06/2016.</li> <li>2. Contract register has been completed and evidenced although the completeness and accuracy of this could not be verified during this audit.</li> <li>3. Not implemented however the Town Clerk stated that going forward timesheets will be introduced on the clean space maintenance contract and taken to buildings committee.</li> <li>4. Implemented- evidence supplied of list of suppliers and Full Council minutes approving this.</li> <li>5. This has been carried out for gas and electric and suppliers switched as a result- Helen to send evidence of this.</li> </ol>
	4	High value assets not covered by insurance policy in respect of damage	The insurance policy should be reviewed against the asset register to ensure that all appropriate assets are insured.	<ol style="list-style-type: none"> <li>1. Once asset register has been updated a check against the insurance policy schedule should be undertaken.</li> <li>2. The risks associated with the street furniture, and bus shelters need to be considered in relation to whether or not they should be included within the insurance policy.</li> <li>3. A record of claims should be maintained and reported to council together with any insurance claim trends.</li> </ol>	Partial implementation	N	<ol style="list-style-type: none"> <li>1. Action not completed</li> <li>2. Action not completed</li> <li>3. The Town Clerk explained that there had been no claims since the audit- but a claims form is now recorded on the insurance file where a record of any claims will be kept to demonstrate that this information will be retained and this would be reported to council as appropriate.</li> </ol>
	5	Monies being allocated incorrectly and not for agreed purpose.	The purposes for which the contribution of monies to Tewkesbury Museum should be formally established and a reporting mechanism set up which will provide	<ol style="list-style-type: none"> <li>1. Monitoring and reporting procedure to be established.</li> </ol>	Not implemented	N	<ol style="list-style-type: none"> <li>1. Recommendation outstanding. It is however acknowledged that actions are in place to progress this action point as per the minutes of a Finance Committee meeting held on 25.04.16.</li> </ol>

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			assurance to the council that monies are being spent in accordance with those purposes.				
	6	Incorrect budget information.	Within the financial spreadsheet where expenditure is allocated to cost codes on a percentage basis across more than one service code, evidence to support the percentages being used should be maintained.	1. The percentage determination should be documented.	Implemented	N	1. Helen stated that expenditure in relation to utilities is no longer allocated in percentages. Actual amounts for each asset are now retained- this can be confirmed when we check general ledger.
C	7	Key risks not identified and risk adequately considered during decision making.	The current risk assessment should be reviewed including the implementation of an overarching policy and the reporting process to members enhanced to include a risk analysis within the council's standard report template.	1. Implementation of a risk policy. 2. A section on 'risk management implications' should be added to the council's standard report template. 3. The current risk assessment should be reviewed and enhancements made in relation to identifying the completion of any mitigating controls and taking into consideration any new risks that emerge.	Partial Implementation	N	1. A risk management policy is now in place. This was found to determine the definition of high, medium and low risks as well as a risk management reporting framework whereby depending on the level of risk, appropriate management action and reporting must take place. 2. A section on 'risk' is now included within the Town Council's standard report template. 3. This action point remains outstanding. Although it is clear that some elements of the risk assessment have been updated, the audit identified some areas where action points are nearly a year outdated and no longer applicable. Furthermore, some key risks are not included in the assessment, namely compliance to the Transparency Code, although the Clerk did demonstrate awareness of this.
D	8	Overspend of budget headings and inadequate reserves.	In order to enhance the budgetary control process, arrangements should be put in place for the monitoring of reserves and ensuring members are aware of the appropriate budget amounts prior to authorising payments.	1. Arrangements should be put in place for the monitoring of reserves this should ensure traceability and be clearly identified within the budget. 2. The amount of general reserve should be annually risk assessed and approved by the council. 3. So that expenditure is not potentially made in excess of the approved amounts at the time of authorising payment the members are aware of the budget to which the payment relates; this information should be added to the payment authorisation stamp affixed to each invoice.	Partial implementation	N	This recommendation and associated action points remain outstanding.
E	9	Non-compliance to financial regulations and inconsistency in charging.	Fees and charges policy should be finalised and formally approved.	1. Policy to be finalised and approved.	Implemented.	E	1. Fees approved at Council Meeting 18/05/2016 with amendments to be made reflecting the reduction of prices for Charities and not for profit organisations.
	10	Non-compliance to financial regulations Incorrect income collection	Supporting documentation needs to be implemented for all income streams.	1. Review all income streams and identify they are supported with adequate documentation to ensure the income being collected is accurate and value for money obtained e.g. rental incomes, sale of hay and stewardship of The Ham.	Implemented	E	1. Audit testing documented that the income being collected was accurate to the information being recorded on order forms for hire of the Town Hall. Inconsistencies were identified in regards to the amount being charged for the hire. This will be mitigated by the introduction of new order forms, introduced in April 2016. The audit analysis has not looked at sale of hay or Stewardship of the Ham.
	11	Non-compliance to financial regulations	Debt recovery procedures should be established.	1. Document a simple procedure to ensure all late or non payments are consistently pursued, monitored and reported upon.	Implemented	E	1. A debt recovery policy has been established and approved by Finance Committee on 20.07.15.
	12	Non-compliance to financial regulations	The safe retention of public convenience income.	1. Review internal procedures for the receipt, storage and banking of income.	Implemented	E	1. The Town Clerk confirmed that the money is now collected 2-3 times a week and is banked by office staff, applied to a paying in slip and banked.
	13	Non-compliance to	The authority for the Mayor to agree a	1. Delegated authority to be approved at	Implemented	N	1. Implemented- Where a reduced rate in hire charges is requested

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		financial regulations	reduction in approved hire charges should be reaffirmed through Council	Council (possibly as part of fees policy). 2. Where a reduction is approved the mayor's approval should be documented.			a new form must now be completed which is taken to council for approval. 2. Implemented.
F	14	Non-compliance to financial regulations	The petty cash sheet should be updated to reflect the advanced purchase process, the issue of petty cash monies has been authorised and document that a check has been undertaken.	1. A column should be inserted on the petty cash sheet for the signature of officer authorising the issue of petty cash. This officer should not issue petty cash to themselves. 2. A monthly reconciliation of petty cash sheets to the receipts and balance should be undertaken by an officer/councillor not involved in the issue of petty cash monies. This reconciliation should be documented on the petty cash sheet and discrepancies reported to the RFO. 3. At year end the petty cash replenishments recorded on the petty cash sheet should be reconciled to the general ledger.	Implemented	E	1. Petty cash request forms now used which include authorisation signature. 2. A monthly reconciliation between receipts and petty cash entries has been performed by the town clerk since December 2015. The Town Clerk agreed to in future date this reconciliation. 3. There is not a separate code within SCRIBE solely for petty cash. The Town Clerk confirmed that this has been set up. Petty cash replenishments were checked for April 15 – March 16 to SCRIBE and were found to reconcile.
G	15	Non-compliance to financial regulations	Staff contracts should be reviewed to ensure post responsibilities, liabilities and salaries are accurately reflected and a formal agreement is established for the town criers position.	1. All contracts need to accurately reflect staff SCP scales/ salaries and contracted hours worked. 2. A new temporary/ permanent Finance Officer's contract needs to be created as current one expires on 31 <sup>st</sup> July 2015. 3. A formal contract for the Town Clerk needs to be established and signed. 4. A formal agreement between the Town Crier and Town Council to ensure any post responsibilities and liabilities are met.	Partially Implemented.  Fresh recommendation made in 15/16 audit report.	E	In respect of the previous audit recommendation "Staff contracts should be reviewed to ensure responsibilities, liabilities and salaries are accurately reflected and a formal agreement is established for the town criers position " assurance was obtained that an agreement had been established in respect of the Town Crier role. The remaining actions related to the setting up of contracts for staff in post at the time of the previous audit, however, these staff have either left the council or had a role change and also new staff have been employed. The Town Clerk has verbally confirmed that contracts are in the process of being established and that these contracts will reflect their pay scale grading and hours of employment. A fresh audit recommendation to confirm the completion of this task has been established.
H	16	Non-compliance to financial regulations	Enhancements should be made to the asset register in order to ensure it is complete, accurate and complies to the Council's Financial Regulations.	1. Register to include the location of the asset, an asset reference (relevant deed/ title number), purchase details, nature of the interest and any tenancies granted/ rents payable. 2. For completeness, a check against the title deeds and/or land registry should be carried out. 3. Valuations should be obtained from an appropriately qualified surveyor and a programme of ongoing valuations developed.	Not Implemented	E	This recommendation and associated action points remain outstanding.
	17	Unable to demonstrate regular inspections in the event of an incident and possible insurance claim.	In order to demonstrate that the Town Council has fulfilled its duty of care and to address the associated risks; the inspection of council assets (including council owned trees) should be documented.	1. Introduce a property inspection sheet 2. Introduce a formal tree inspection regime.	Not implemented	N	This recommendation and associated action points remain outstanding.
	18	Non-compliance to financial regulations.	An inventory of tangible, movable assets should be maintained and be subject to regular review.	1. An inventory of tangible, moveable assets owned by the Town Council which exceed the value of £50 should be established and this should be reviewed on a regular basis.	Partial implementation	E	This recommendation has been partially implemented. An inventory now exists for all Town Council properties; however this is a work in progress and should continue to be developed to include the date acquired and value against each item. A further recommendation has also been made in respect of carrying out a check against the council's insurance policy to ensure that all items are included and that the actual sums insured against each premises in respect of contents is appropriate.
	19	Non-compliance to	In order to achieve compliance to the Local	1. In order to comply with the Local Government Transparency	Not implemented	E	1. Recommendation remains outstanding although actions have

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	Local Government Transparency Code 2014.	Government Transparency Code 2014, the required data should be published on the Town Council's website.	Code 2014, the required data should be published; namely: (a) Expenditure exceeding £500. (b) Procurement information (a contracts register to be established in the first instance). (c) Local authority land and building assets. (d) Grants paid to voluntary, community and social enterprise organisations. (e) Pay multiple/ senior salaries.			been taken towards achieving compliance.
20	Lack of transparency	Council reports to be posted to the website.	1. Reports supporting the minutes should be posted to the website.	Partial implementation	N	1. Meeting minutes and relevant reports were not always available online for meetings held during 2015/16. The Town Clerk provided verbal assurance that meeting minutes and relevant reports will be added to the website from 01.04.16 onwards and going forward all reports will be published.

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