

ITEM 313/20 ADDRESSING THE MATTERS RAISED IN THE INTERNAL AUDIT REPORT

MATTER	ACTION TAKEN	ADDRESSED
<p>1. A significant number of cases were identified where appropriate authorisation was not given on the credit card proforma.</p>	<p>The system regarding credit cards has changed significantly. Firstly, the number of credit cards has been reduced to two. The Finance Team are ensuring that there is an order for each purchase and that supporting documentation is obtained and processed timely. At the date of writing this report, the August 20 credit card information has been obtained, authorised and processed in the accounting records.</p> <p>Unfortunately, prior to these system changes there have been 2 instances where there is missing supporting information. These will need to be further investigated by the Town Clerk.</p> <p>The new controls will prevent this recurring in future.</p>	<p>YES.</p> <p>The systems of internal control have now been strengthened and should be working effectively. This issue is considered addressed.</p>
<p>2. The council's previous cash collection process only required one signature on the cash collection sheets, being that of the cash collector. The cash collector is then responsible for banking that cash into the Unity bank account. This process lacked a level of supervision and review, which led to issues relating to the alleged theft of cash. These issues were identified by the finance team, as no cash was written on the sheets as being collected. The council also further improved its process around cash collection by requiring two signatures on the cash collection sheets from November 2019 to ensure a level of oversight and supervision in this process</p>	<p>The internal auditors have acknowledged that the Finance Team have taken appropriate steps to address this issue. No further action needs to be taken as steps have been put in place to check the market sheets.</p>	<p>YES</p> <p>This matter is considered addressed.</p>
<p>3. During our internal audit visit we were made aware of issues the council was facing regarding to the opting to tax of properties. There were properties which had been opted to tax which the council was not aware of, until the receipt of a letter from HMRC this year.</p>	<p>This is being addressed albeit slower than anticipated.</p>	<p>NO</p> <p>Processes are in place to address this matter</p>

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<p>4. During the audit testing two months were identified where the monthly wages checklist had not been signed off by the Town Clerk and Deputy Town Clerk.</p> <p>There were also no copies of the September payslips in the file and these had to be requested from Lovewell Blake, indicating that the appropriate checks would not have been carried out in this month.</p>	<p>The checklists have been signed promptly by the Town Clerk. The Town Clerk now also reviews the salary data input form (a new control) that is used by our payroll service providers.</p> <p>The necessity for the Deputy Town Clerk to also sign the checklist is questionable and discussions will be shortly undertaken to change this control. The reason is that salary information is sensitive and due to the new home working arrangements, there are practical constraints.</p>	<p>NO</p> <p>The proposed system changes have to be approved by the Town Clerk.</p>
<p>5. It was noted in our testing that not all payment runs were signed by the appropriate individual, being the Town Clerk for payments up to £15,000, one councillor for payments between £15,000 and £25,000 and two councillors for payments greater than £25,000. As a result, there was no evidence of approval of the payments.</p>	<p>There is full agreement with the internal auditor's comments. The challenge has been the physical signing of the payment run schedules. Payment runs are being approved but the sheets are not being signed. As a Town Council, we need to come up with a virtual authorisation system as we move further to "paperless".</p>	<p>NO.</p> <p>The virtual working arrangements make this difficult. It has to be addressed and will be.</p>