

TAVERHAM PARISH COUNCIL

**INTERNAL AUDITOR'S
REPORT
TO TAVERHAM PARISH COUNCIL
YEAR ENDING 31st MARCH 2017**

PREPARED BY: ALAN CLARK MAAT

DATED: 21st JUNE 2017

1. Introduction

This internal audit report has been prepared on behalf of Taverham Parish Council for the financial year to 31st March 2017.

As in previous years all relevant documentation has been examined and a summary of findings and recommendations is detailed below.

2. Findings.

The various checks performed revealed no major discrepancies. The following points were noted:

- 2.1 Section 137 expenditure was £500 and within statutory limits.
- 2.2 At the Performance Review Committee meeting on 30th January 2017, it was suggested that passwords should be kept in a notebook in a locked filing cabinet.
- 2.3 A reminder from Broadland DC about claiming for the hire of polling stations was received for the district election and referendum.
- 2.4 A late payment reminder was received for a BT bill. This was due to illness of the person dealing with the matter.
- 2.5 One bank account still holds more than the protected amount. This was highlighted last year.
- 2.6 A listing of closing creditors shows an entry dated 31/03/2014 (IRS Ltd £72) and an entry dated 31/03/2015 (Sim Signs £240).
- 2.7 The budget for 2016/17 included an entry for a Neighbourhood Plan matter. However, this was postponed in this financial year.
- 2.8 On 21st April 2016 a bank transfer was made via telephone banking for £18,661.57. Normally a bank card would have been used in this process, but the card had expired.
- 2.9 Significant overtime was worked by staff during the year, partly as a result of sickness.
- 2.10 The payroll supplier issued payslips in error on several occasions. An email of complaint was sent to them as a result of this.
- 2.11 The External Auditor pointed out in its report last year that fixed assets should be valued on a basis of reasonable valuation rather than to cost of acquisition. This does not appear to have been applied as yet.
- 2.12 The PWLB loan of £100k was finally paid off this year.
- 2.13 The Zurich insurance policy contained advice about keeping written risk assessments in a list of key activities, as well as any rules issued by authorities. Although it appears all risk assessments were carried out, there appeared to be no actual reports about any recommendations forthcoming as a result of these.

3. Variances


These are the major variances in the financial year.

Income	Budget(£)	Actual(£)	+/-
Recycling	1,000	2,641	+1,641
Misc receipts	145	1,714	+1,569
Expenses			
Petty cash	1,100	496	-604
Skatepark	0	1,077	+1,077
Recycling	1,000	267	-733
Youth	11150	9,576	-1,574
Community Safety	1,500	0	-1,500
Minor projects	1,500	4,717	+3,217

4. Recommendations

- 4.1 Keeping a hard copy listing of passwords is not acceptable audit practice, whether or not the filing cabinet is locked. Passwords should be memorised. The use of a password manager, which encrypts passwords, is an alternative, although these tend to have a steep learning curve, and can be cumbersome to use. This software is very useful when multiple different passwords are in use for gaining access to supplier accounts, for example. Another method, if it is essential to have access to forgotten passwords, is the use of a password protected Excel spreadsheet file. This should be saved on two memory sticks, not on the network, one kept in the locked cabinet, and another in a separate location. A list of this file should, however, never be printed, and the method suggested is still not as secure as it could be. There are memory techniques to assist with recollection of long passwords. This is also an opportune time to remind staff that passwords should be changed on a regular basis, and not at any time disclosed to unauthorised users.
- 4.2 Ad Hoc events such as elections should be noted in the diary so that a prompt claim can be made for hall hire. This advice is also applicable to items such as bank cards, with a specific expiry date (see 2.8 above), and any other time sensitive matters.
- 4.3 If any further errors appear on payslips, it may be time to review the provider. It is not acceptable for errors to appear if the correct information has been given.
- 4.4 BT bills are now provided electronically, but not payment, as far as I can gather. Many other utility bills are paid by direct debit, so check this is now in place. This will save an additional charge.
- 4.5 Check the outstanding creditors noted in 2.6, and adjust if necessary.
- 4.6 Note the external auditor's advice regarding asset valuation, and review the current status.
- 4.7 Zurich Insurance suggests that written copies of risk assessments should be filed. If there are no specific recommendations, this should be noted and filed. A separate section in the audit file would be the best place for these.

4.8 In view of the small number of staff, it can be difficult when staff sickness and long absences put more pressure on other staff. There is significant overtime being worked, so perhaps it would be opportune to review any contingency plans in place to alleviate any problems if one or more key staff are absent. Long term illnesses may present the council with particular problems in dealing with day to day administration.

Signed: 

Alan Clark MAAT
Internal Auditor

Dated: 21/6/2017