

TAVERHAM PARISH COUNCIL

**INTERNAL AUDITOR'S
REPORT
TO TAVERHAM PARISH COUNCIL
YEAR ENDING 31st MARCH 2018**

PREPARED BY: ALAN CLARK MAAT

DATED: 21st JUNE 2018

1. Introduction

This internal audit report has been prepared on behalf of Taverham Parish Council for the financial year to 31st March 2018.

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 £730 and within statutory limits.
- 2.2 At the Performance Review Sub-Committee meeting on 18th July 2017, agreement was made to hold two meetings instead one during the year, and to hold further meetings should it be deemed necessary. Long term absence of staff was discussed. Measures considered were the possibility of insurance cover or the implementation of a reserve to cover six months absence. Consideration of the effect on other staff of long term sickness was also discussed.
- 2.3 The next Performance Review Sub-Committee meeting held on the 20th November 2017 reported that all contracts were up to date. A year planner to hold details of important dates, deadlines and meetings was suggested. This to be displayed so that councillors are aware of the whereabouts of staff and what work needed to be done. Passwords were to be changed bi-annually in future, on July 1st and January 1st. It was noted that councillors had become much more confident in performing audit checks as the frequency of these had increased.
- 2.4 Training for the General Data Protection Regulations (GDPR) was arranged for staff on 20th February 2018.
- 2.5 The Lloyds business bank account still holds substantially more than the protected amount. However, it is understood that this will be addressed as soon as possible, when staff have sufficient time.
- 2.6 Staff absence meant that some issues arose with processing certain adjustments. The software vendor (Edge) needed to be contacted in order to process a correction. The issue was resolved, but incurred a small cost.
- 2.7 A payment relating to the streetlights contract was paid twice for the July 2017 invoice. This was noticed and reported to the supplier by staff and subsequently corrected.
- 2.8 There are still occasional invoices sent to the previous Clerk's address. One was received from Norfolk County Council dated 2nd June 2017, another from Garden Guardians dated 27th April 2017. Ensure that all invoices are now sent direct to the council's office.
- 2.9 There were a few cheques returned for incorrect or missing dates and incorrect payee information. Continue to vet cheques for errors to avoid correction and resubmission.
- 2.10 Substantial overtime was worked again this year to cover staff absence. The council has been well aware of the pressures added to existing staff, and has expressed

concern about the consequences of the additional workload on staff efficiency and morale.

3. Variances

These are the major variances in the financial year as recorded on the Financial Budget Comparison.

Income	Budget(£)	Actual(£)	+/-	
Misc receipts	148	6,484	+6,336	Note 1
Neighbourhood plan	0	1,147	+1,147	
Expenses				
Staff costs	89,460	93,831	+4,371	
Contingency	1,500	290	-1210	
Skatepark	0	817	+817	Note 2
Recycling	1,000	212	-788	
Youth	11,150	9,190	-1,960	
New Lights	8,500	21,120	+12,620	Note 3
Electrical Testing	1,500	0	-1,500	

Note 1. Of this amount, £4,694 was a receipt for the grass cutting contract that appears in NCC Agency Services Receipts, so possibly should have been recorded there.

Note 2. There is a contingency for Skatepark expenses in Earmarked Reserves.

Note 3. As per Note 2, there is a contingency in Earmarked Reserves.

4. Recommendations

- 4.1 It is good practice to change passwords on a regular basis, and this is being applied on a twice yearly basis. There should be some flexibility in this approach however, where (for example) there is a possibility of a password being compromised by inadvertently writing it down for others to see.
- 4.2 It has been a challenging year for the council with the long term absence of key staff. Other staff members have filled in where necessary, and appear to have managed the situation extremely well. The council have been very aware of the pressures placed on staff, and have investigated the possibility of insurance coverage for any future absences of this nature. There may have been some areas where lack of knowledge caused issues, for example, where Edge had to be contacted in order to correct a transaction. Some years ago, it was recommended that a Procedures Manual be kept and updated on a regular basis. It may be helpful to keep a record of any such issues in the manual for future reference. It may be a good time to review the Procedures Manual in the light of the experience gained in coping with key members of staff on long term sick leave.
- 4.3 A payment relating to the streetlights contract was paid twice, but was notified to the contractor and rectified. This suggests that checking was not robust enough when the payment was passed. There is always the possibility that regular payments for the same amount will cause this to happen, so particular care is needed. It may also suggest that the error handling procedures in the software are not as good as they could be. It may be worthwhile to review this transaction to establish how this error occurred and take steps prevent it happening again.

4.4 General Data Protection Regulations (GDPR).

These regulations came into force in the current financial year so there is no information in the records about this. However, staff members have been on training courses so hopefully the council is working towards full compliance with the new regulations. There appear to be areas where significant extra work is needed for this, so consequently there are cost implications which the council need to consider.

Additional activities and responsibilities should be recorded in the Procedures Manual as should be the role of the Data Controller. Councillors should be fully aware of the GDPR and how it impacts the council.

Signed: 

Alan Clark MAAT
Internal Auditor

Dated: *21st June 2018*