

Report of the Responsible Financial Officer

Internal Audit Report

Background

1. Committee will note that it received at its meeting on 12 June 2017 a report from its internal auditors. The minor issues raised were
 - a. use of purchase orders and approval of low value expenditure;
 - b. matching of purchase orders to purchase invoices, and verifying the arithmetic accuracy of invoices;
 - c. recording of asset additions;
 - d. recording and recognition of assets transferred to the Town Council at £nil value;
 - e. potential adjustments required to correct duplication of assets in current and previous financial period;
 - f. bank reconciliation differences to be promptly addressed.
2. At its next meeting on 10 July 2017 the committee received a report from the Responsible Financial Officer on progress with addressing Internal Audit concerns, and a report on changes to the ordering system to address Internal Audit concerns (a) & (b)
3. At its meeting in August 2017 committee resolved under Minute BA032/17 to require greater detail about payments made, and to challenge payments and seek documentation to support them in addition to the existing system of invoices being verified before payments were signed by councillors in order to address issue (b)
4. Committee has continued to receive lists of payments made, and to challenge those where they felt it necessary, in order to address issue (b).
5. In addition committee has received reports on the updating of the assets register, the disposal of assets, and reports addressing any historical issues which have been deemed to be material, or of concern in order to address issue (d).
6. Issue (e) has been discussed with council and remains an issue where the Internal Auditors understanding of the practice guide differs from that of the RFO and the External Auditors, but we are confident that our accounting for assets is compliant with the practice guide.
7. There have been no issues with bank reconciliations.

Recommendation

1. Committee is recommended to note the report.