



Berwick upon Tweed Town Council

Council

25 April 2022

Appendix J

Report of Town Clerk

Internal Controls

Access Public

Background

1. Council has a system of internal controls connecting purchase orders to invoices, and requiring authorization of payments by councillors on the basis of evidence supplied by officers.
2. As part of its work, council undertakes spot checks to support the work of the Internal Auditors, seeking to identify whether the system is working correctly.
3. Spot checks have been undertaken in March and April of this year looking back over the work undertaken in Quarter 3 and Quarter 4 of financial year 2021-22.

Issues

4. Issues have been identified with:
 - a. The completion of grid stamps on invoices,
 - b. The coding of invoices to cost codes / budget lines, and
 - c. The authorization of payments.
5. Some grid stamps have not been fully completed, and refresher training has been provided to staff on the need to do so.
6. Some invoices / purchase orders have been incorrectly coded, especially where composite invoices have been received relating to more than one cost code; again, refresher training has been provided.
7. A payment was authorized, in September 2021, without a purchase order (PO) being identified, and which was not one of the regular purchases for which a PO is not required. We have not yet identified how it managed to be paid when no PO number was present on the authorization list, and the member of staff involved has left the council. The payment was, however, lawful, and for services which we had incurred.

Actions

8. Whilst all of these breaches of control are minor, and do not represent a substantial risk to the council, a heightened degree of monitoring and checking will be in place for all of Quarter 1 2022-23, and progress will be reported to committee in the first meeting after 30th June 2022.

Recommendation

1. That Council note the report.

Author	GD
Checked by	SC
Town Clerk sign off (if required)	GD