

2018-19 Fordingbridge Town Council - Internal Audit Report 2018-19



Interim Audit Observations

Audit date	Priority	Observation	Recommendation	Status	Comments
30 October 2018	H	The Minute reference quoted on the Annual Return for 2018 is of a meeting of F&P Committee not Full Council (it is understood that membership of F&P Committee is the same as Full Council) . It appears that the Annual Return was therefore not approved by Full Council as is required under Section 12 of the Accounts and Audit Regulations.	The Council to note that Annual Return must be approved at a meeting of Full Council. The Council will need to consider how the approval process for the the 2018 Annual Return will impact the 2019 Annual Governance Statement.	Pending	
	H	The Council is making online payments on a sole authoriser basis	The Council to introduce authorising of online payments on a dual authoriser basis	Pending	
	H	The Council Minutes of 3rd January 2018 record approval of the Precept, but not approval of the budget. It is understood that the budget is approved via the service committee submittals to Finance & Policy Committee as part of the budget setting process	The Minutes of the Full Council meeting approving the precept should also refer to approval of the budget	Pending	
	M	The Council has not reviewed its Standing Orders since 2016	Council to review and update its Standing Orders. Council to also review its Financial Regulations at the same time	Pending	
	M	It was noted that there was a significant old balance on the account of the Christmas Lights contractor. It is understood that this amount may be subject to dispute	Council to formally discuss and agree whether they will pay the old amount due	Pending	
	M	The external auditor has raised an issue relating to the insurance cost. The invoice for this is usually received and paid at the end of March but relates to April to March of the next financial year. The auditor has advised that they require an adjustment to be made to show this as a prepayment. Appropriate Journal Adjustment was made by the Finance Officer during the audit visit.	Council to note that this will require the 2018 Annual Return numbers to be restated when submitting the 2019 Return	Pending	
	M	The External Auditor has returned the Annual Return to the Council, but has not concluded their work (this is also the situation at a number of other Councils). As at date of the audit visit the Council has not received a final signed AR and has not posted the Notice of Completion of Audit	On the conclusion of audit the Council must publish the Notice of Conclusion of Audit. The Council should clarify with the External Auditor when the audit will be formally concluded.	Pending	

	M	The Council has received significant funds in respect of CIL and it is understood that they are due to receive significant additional amounts in future. At present it is not clear that the Council has a process in place to monitor the use of these receipts	The Council should establish an Earmarked Reserve to record CIL receipts and to monitor their usage	Pending	
	L	The Council has not established a clear policy for how it intends to use the CIL receipts.	The Council should establish a clear policy for the usage of CIL monies	Pending	
	L	It was noted that tickets sold on an agency basis had been record as income and expenditure of the Town Council when, in fact, it is only the agency commission that should be recorded by the Council	The Council should net off the income and expenditure of agency ticket sales so that only the net Commission received is recorded as income in the Councils accounts	Pending	