

REPORT TO FINANCE COMMITTEE

INTERNAL AUDIT WORKING GROUP UPDATE

Report Reference F-20-07
Meeting Date 27th April 2020
Agenda Item 10
Prepared by Town Clerk



1.0 BACKGROUND

The Internal Audit working group (comprising Cllrs Coan, Malloy and McCulloch) is tasked with undertaking reviews of the council's internal controls, as required by *Proper Practices*.

The working group has commenced the review for the first three quarters of the 2020/21 financial year. It has completed the review of the main expenditure during this period.

Outstanding are the following reviews:

- a) Review of card expenditure
- b) Review of income
- c) Review of accuracy of asset register
- d) Review of bank reconciliation

The Town Clerk has emailed the working group with summary documents asking them to identify the records for review. A further verbal update will be provided by the working group at the meeting.

2.0 RECOMMENDATION FROM PREVIOUS REVIEW

There is an outstanding recommendation from the review of the 2019/20 financial year which had not yet been brought to committee. The working group (then Cllrs Hamilton Coan, Nicholson and Gardiner) identified that it was not always possible to undertake a review of the BACs payee bank details when conducting a review as the detailed records of individual payments were only retained on RBS bankline for a limited period.

It was the working groups recommendation that this check instead be undertaken by the council's bank signatories when approving payments i.e.

- a) The Town Clerk uploads the payment batch for authorisation
- b) As part of approving the payments (and not to hold up the authorisation process), a signatory identifies 5% of the payments for review
- c) The Town Clerk provides the necessary information for the review to be undertaken

3.0 DECISIONS REQUIRED

The committee should note the update on the 2020/21 internal audit working group work and consider an amendment to its terms of reference to implement the recommendation from the 2019/20 reviews.