

Portishead Town Council Staffing & Finance Committee meeting 23rd February 2022: item 7: Interim Internal Audit Report Sep 21

Rec. No	Recommendation	Response
Review of Corporate Governance		
R1	The Council must ensure future compliance with the disclosure requirements (Accounts and Audit Regulations 2015 refer) as also set out in the preface to each year's AGAR.	Steps have been put in place, by appointing a Bookkeeper with year-end accounts experience, so that the late submission of last year's AGAR and late notice of Public Rights, will not occur this year, despite a change of Clerk.
Review of expenditure & VAT		
R2	Members should be physically reviewing and signing-off individual invoices as evidence of their review and effective discharge of their fiduciary responsibilities.	COVID-19 has affected this process, so Members review email copies of invoices and sign them off by email. Files are also in office for them to view. Planning to set up an internal review system, in person, once restrictions are lifted.
R3	Effective separation of duties should be implemented between the set-up of online payments and their physical release.	This is not possible with the Lloyds Bank system but will be possible when the Council moves to Unity Trust Bank. This system allows dual authorisation plus a different person to set payments up.
Review of Income		
R4	Improved controls should be introduced over the emptying and recording of cash takings from the public WCs with two officers involved and a formal record and certificate confirming the amount collected signed by both.	This is now in place
R5	Whilst appreciating the unavailability of cash banking facilities in the town, cash should be banked intact in accordance with the adopted Financial Regulations.	This is now being reported correctly with all income received being correctly received into the accounts.
R6	Action should be taken to pursue and ensure recovery of all long-standing debts.	Debts are now being chased or request to approve some debts to be written off
R7	The one referenced "unmatched" receipt should be examined, and appropriate action taken to ensure its clearance from the Sales Ledger.	This has been sourced and finalised
Petty Cash Account		
R8	The handwritten record of transactions during the year should be expanded to include identification of the value of any VAT incurred.	The Petty cash sheets now show the VAT breakdown
R9	Detail of the year-to-date petty cash spending should be recorded in the Omega ledger to ensure consistency with the actual cash holding position: going forward, data should be entered monthly, with any VAT incurred duly coded for recovery with the VAT reclaims submitted to HMRC.	Now being reconciled on a monthly basis in the Omega accounts.