



FINAL

Internal audit report 2017/18

Visit 5 of 6

SWANAGE TOWN COUNCIL

Date: 10th April 2018

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Introduction

This report contains a note of the audit recommendations made to Swanage Town Council following the carrying out of internal audit testing on site on the 12th, 14th, and 26th March 2018.

The audit work has been carried out in accordance with Appendix 9 of the 'Governance and Accountability for Local Councils: A Practitioners' Guide'.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2017/18 (which will be in May or June 2018) will contain the audit opinion and a summary of all findings and recommendations made during the 2017/18 audit year.

The following areas were reviewed during this audit visit:

- a. Payments
- b. Risk Management
- c. Income, with specific focus on:
 - i. TIC Cash
 - ii. Car Parks

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report. Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	0
Low	4
TOTAL	4

I would like to thank Martin Ayres, Town Clerk; Alison Spencer, Finance Manager; and Cara Johnston, Administrator for their assistance during this audit.

Darkin Miller ~ Chartered Accountants
2017/18 INTERNAL AUDIT OF SWANAGE TOWN COUNCIL
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Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.3 – Policy document control sheet	<p>The Council has a number of policies in place as part of the policy framework, setting out how aspects of its financial and governance controls will be operated. These include, for example, long-standing policies such as Financial Regulations and Standing Orders, as well as more recent items such as the Social Media Policy. It is important to ensure that the policies remain relevant and up-to-date, and that the extent of the Council's policy framework is known and (where appropriate) published in the public domain.</p> <p>It is recommended that a policy control sheet is drawn up to show the policy name, its purpose (or the risk it is managing), the date of adoption, the review date, and where the policy is published. This will make it easier to ensure that policy updates are carried out in a timely manner, and that all published versions of the policies are updated when changes are made.</p>	L	It has been recognised in the Council's risk assessment that several policies require updating. The best method of monitoring this will be reviewed at the next Policy Committee meeting.	TH1	July 2018
3.4 – Consider additional policies	The Council's policy framework contains many of the policies that I would expect to see in place for an organisation of this size. However, the Council does not currently have a Member Training & Development Policy in place. It is suggested that the Council and its Members might benefit from such a policy given the complexities of some of the projects that the Council has undertaken in the last few years.	L	Agreed: To be implemented from the next election, May 2019.	TH1	May 2019

	I recommend that the Council considers whether or not to adopt a Member Training & Development Policy.				
5.3 – Overs/unders on banking	<p>I found that the amount banked by Visitor Services in relation to Tourism income was £12.14 less than the amount shown on the banking records. On investigation, it appears as though one of the credit card receipts was counted twice when the banking was totalled up, leaving the takings apparently £12.14 over. The £12.14 was then deducted from the cash to be banked and set aside as ‘overs/unders’. When the amounts paid in (cash and cheques; or credit/debit card receipts) the amount banked was £12.14 short. The £12.14 which had been set aside was then banked. I agreed the subsequent banking to the bank statements.</p> <p>I recommend that any overs/unders are fully investigated at the time at which they occur, and that credit and debit card receipts are double-checked to ensure that they have not been duplicated. All monies taken for the day (whether over or under the expected total per the till rolls) should be banked as they are, with any differences identified and either reconciled or explained. This will improve the audit trail and reduce the risk of error.</p>	L	Agreed: All employees with responsibilities for banking will be reminded of the importance of balancing the till and reporting any discrepancies.	TH3, TIC1	With immediate effect.
18.1 – Confidential waste	<p>Confidential waste held by the Council is retained in a confidential waste bag and securely shredded by a third party periodically.</p> <p>I recommend that the Council considers whether it may be more cost effective to invest in an inexpensive cross-cut shredder (or one per location dealing with confidential paperwork) in order to ensure that such waste can be destroyed immediately.</p>	L	Agreed: Management to investigate alternatives to the current disposal of confidential waste.	All managers	May 2018