

FINAL

Internal audit report 2019/20

Visit 2 of 6

SWANAGE TOWN COUNCIL

Date: 5th December 2019

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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 19th, 21st and 22nd November 2019.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', with additional tests specific to the Council as agreed with the Town Clerk and Finance Manager.

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 2019/20 (which will be in May 2020) will contain the audit opinion and a summary of all the high and medium level findings and recommendations made during the 2019/20 audit year.

The following areas were reviewed during this audit visit:

1. Risk Management
2. Income, with a specific focus on:
 - a. Summer market
 - b. Cemeteries
 - c. TIC Cash
 - d. Car parks
3. Exemption
4. Public Rights

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	1
Low	2
Info	0
TOTAL	3

I would like to thank Martin Ayres, Town Clerk; Alison Spencer, Finance Manager; Stephen Morgan, Finance Officer; Cara Johnston Administrative Officer; Culvin Milmer, Visitor Services Manager; and the Visitor Services team for their assistance during this audit.

Darkin Miller ~ Chartered Accountants
2019/20 INTERNAL AUDIT OF SWANAGE TOWN COUNCIL
FINAL REPORT VISIT 2 OF 6: 5th DECEMBER 2019

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.1 – Error on minute date	<p>Minute 14 of the Annual Meeting of Council on 13/05/19 refer in error to the approval of the minutes of the 29/04/18 meeting. The minutes being approved were from the 29/04/19 meeting.</p> <p>I recommend that this error is amended at the next Council meeting in order to ensure that there is a complete record of the formal business and decisions of the Council.</p>	L	<p>Agreed.</p> <p>Error re: incorrect date noted and will be raised at the next Council Meeting being held on 16th December 2019.</p>	TH2	16/12/2019
16.1 – Update cemetery fees and charges	<p>I checked to see that memorial forms were properly completed, correctly coded and raised for the correct amount. I found that forms were properly completed and income correctly coded, but that the fee charged was the prior year fee for 4/5 samples. This was due to the Committee's recommendations for changes to memorial charging being omitted in error from the revised scale of fees and charges for 2019/20. The updated figures were formally approved on 29/05/19, and a revised schedule issued for the updated charges, but this change wasn't applied to 3/4 samples where the service was performed after 29/05/19, leading to a £12 total undercharge across the samples.</p>	M	Agreed.	TH3	January 2020

	<p>The error came to light during the year, and revised copies of the fees and charges schedule was provided to the Administrator and to the local Undertakers and Stone Masons.</p> <p>I recommend that in future years a check is made to ensure that all changes to fees and charges are incorporated in the updated schedule of fees and charges which is approved by Council and distributed to relevant officers.</p>				
18.1 – TIC cash	<p>I carried out a physical count of the petty cash and cash floats held at the TIC. I found that the TIC petty cash was 50p over and the TIC till was initially 10p under, but that 10p had fallen out of the till when it was removed for the count (meaning that the till balanced overall), giving a total error of 50p on petty cash and floats totalling £200 (0.3% by value).</p> <p>I recommend that staff are reminded to double check cash receipts and payments to ensure the correct amounts are recorded.</p>	L	Staff will be reminded that all cash receipts and deposits need to be accurately recorded each. This will be done through the weekly staff update.	TIC1	December 2019