

## Responses to the Internal Auditor Report 2023/24

Internal Auditor comment	Response
<p>We are pleased to note that one or two councillors are reviewing the bank reconciliations and signing them off periodically, as we recommended last year. However, the revised Financial Regulations (FRs) adopted during the year require, at Para 2.2, that bank statements should also be signed off by the reviewing councillor(s). In accordance with the adopted Financial Regulations (para 2.2 refers), the councillor(s) reviewing bank reconciliations periodically, should also sign-off the supporting bank statements.</p>	<p>Councillors will be asked to sign the statements also.</p>
<p><i>The Council should ensure that the annual External Audit Certificate and other elements of the AGAR are published on its website in accordance with the requirements of the Accounts and Audit Regulations 2015.</i></p>	<p>We will ensure all certificates are published on the website once received.</p>
<p>In reviewing the files of paid invoices, we noted that they are filed, seemingly in no specific order or sequence in 5 lever arch files with no form of cross-referencing to the cashbook detail resulting in our having to work through all 5 files page by page.</p> <p>The manner in which purchase invoices are filed should be improved with an effective means of cross-referencing with unique sequential numbers recorded in the Omega cashbooks as though they were cheque numbers and also on the invoices / payment documentation.</p> <p>In line with best practice and to demonstrate the effective discharge of members fiduciary responsibilities, a suitably designed certification stamp should be acquired and be affixed to every invoice / purchase document including detail as indicated in the body of the report and be signed off accordingly by a reviewing and certifying councillor.</p>	<p>This is not correct as the invoices are filed by date.</p> <p>We have no problem in finding an invoice when we need to so we do not consider that additional numbering / additional work is required. However, as RBS generates a number for each entry we are now writing that on the invoice.</p> <p>A stamp has been used for the past year and is on every invoice with this information / signatures so we are not sure why this has been requested??</p>
<p>Given the high value of funds currently retained in bank accounts, we urge that the Council reviews and considers increasing its FG cover in line with the former Audit Commission guideline.</p> <p>The Council should consider increasing the existing level of Fidelity Guarantee cover to a more realistic level given the combined value of funds held in the various bank accounts.</p>	<p>The Clerk has actioned this.</p>
<p>There are a significant number of ageing debts and “unmatched” receipts dating back as far as April 2023, recorded in the “Sales Ledger – Unpaid Debts by Date” report that require positive action to ensure that, where applicable, all long-standing debt is being pursued and recovered in a timely manner. The number of “unmatched” receipts also requires action to ensure any such income is coded appropriately rather than be left on the Sales Ledger report.</p>	<p>Three are from 2020, and are utilities.</p> <p>It was explained to the auditor that we are having problems with the utility suppliers in terms of estimated bills, invoices, not being able to access our online accounts, and direct debit</p>

<p>Positive action should be taken to pursue and ensure recovery of the few long-standing unpaid Sales Ledger invoices, together with the apparent unpaid Christmas stall rent, also reviewing and clearing the “unmatched” receipts either against raised sales invoices or by coding the income to an appropriate nominal account code.</p>	<p>payments taken which are different to those on the invoices. We are undertaking a project to resolve all of this.</p>
<p>We have reviewed the content of the new Asset register and consider that it is appropriate for the Council’s present and future needs, also noting that the updated total register value has been recorded accurately in the year’s AGAR at Section 2, Box 9. The Council will need to provide an explanation to the external auditors of the reason for the significant increase in asset value reported in the AGAR, which is partly due to new acquisitions in the year, as it exceeds their usual 15% variance level requiring an explanation.</p>	<p>This is not correct. The large variance is due to assets having been depreciated for many years. This should not have happened.</p>

**Samantha Haywood**  
**Locum Finance Officer**