

Internal & External Audit — Recommendations

Date: 11TH SEPTEMBER 2024

Review date : Corporate Governance Meeting September 2024 UPDATE

AUDIT DATE	RECOMMENDATION	ACTION	STATUS
Internal Auditor 31 March 2020	That the Council reviews its risk assessments as a matter of urgency	Completed	
Internal Auditor 31 March 2020	That the LCRS software be continued to used. That the risks on that software are reviewed and updated annually, with a report to Council.	Clerk confirms that this software has not been used in the last 3-4+ years and she has never been trained or provided with the passwords. CGC reviewed 09.24 - software package obsolete – No further action ACTION: COMPLETE	
Internal Auditor 31 March 2020	That safe methods of working be introduced, to include tasks undertaken by others (e.g. gravedigger) on Council's property/land.	Risk Assessments are requested from subcontractors. Insurers have confirmed this is the correct process ACTION: COMPLETE	
Internal Auditor 31 March 2020	That the Council reviews its document and data handling to more fully comply with the GDPR.	GDPR Policy in place since 2022 GDPR Policy review 09.2024 – subsequent review 09.2026 ACTION: COMPLETE	
Internal Auditor 31 March 2021	Standing Orders - An interim review took place at the meeting held 7 th January 2021 having been deferred from the Annual Meeting of the Council but there is no evidence that the more detailed review agreed at that meeting has occurred. This review should be concluded promptly.	ACTION: COMPLETE	
Internal Auditor 31 March 2021	Financial Regulations An interim review took place at the meeting held 7 January 2021 having been deferred from the Annual Meeting of the Council but there is no evidence that the more detailed review agreed at that meeting has occurred. This review should be concluded promptly.	Approved at Full Council On 28 October 2021 ACTION COMPLETE	
Internal Auditor 31 March 2021	S137 payments are all identified as grant payments, and not all of them may be payable under S137, as this section of the 1972 LGA may only be used where the Council does not already hold a power to undertake the thing being financed.	Noted – items to be checked when entered ACTION: COMPLETE	
Internal Auditor 31 March 2021 (Carried forward from 31 March 2020)	There is limited evidence of risk assessments being prepared or completed. It is understood that the Council has purchased the Local Council Risk System and time needs to be invested in both using it and managing the significant risks identified	Clerk confirms that this software has not been used in the last 3-4+ years and she has never been trained or provided with the passwords. CGC reviewed 09.24: software package obsolete – No further action 11.2022 Risk Assessments completed for manual staff/tasks. Risk Assessment review by 11.2024	

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		2023/2024 Risk Assessments completed for office staff ACTION: COMPLETE	
Internal Auditor 31 March 2021	Precept Agreed at 28 January 2021. The minutes report the Band D Council Tax level (without denoting it as Band D) but not the Precept	ACTION: NOTED	
Internal Auditor 31 March 2021	Overtime There appears to be no documented procedure for approving overtime or additional hours. Members should assure themselves that overtime and additional hours are properly approved.	Contracts of Employment state no overtime is payable Staffing Committee has reviewed hours in lieu and no action deemed necessary ACTION: COMPLETE	
Internal Auditor 31 March 2021	Asset Control Not all new acquisitions during the year have been included (bus shelter and store)	ACTION: COMPLETE	
Internal Auditor 31 March 2021	Asset Control Not all assets have a value assigned to them, and there is no note on the asset register as to the definition of an asset (which in 2021 should perhaps be any single item with a purchase price in excess of £500 – this figure equates to the Transparency Code publishing requirement). In addition, there is no explanation given as to why some items are assigned a nominal value of £1; whilst this is permitted under the Regulations an explanation should be provided.	ACTION: COMPLETE	
Internal Auditor 31 March 2021	Asset Control The asset register was dated 31 March 2021. The asset register was not reviewed at the Annual Meeting of the Council and there appears no record of it being reviewed by Council or Committee during the year.	ACTION: COMPLETE	
Internal Auditor 31 March 2021	Asset Control There are entries in the asset register that the insurance of benches is included in seats but no mention of seats or their insured values.	ACTION: COMPLETE	
Internal Auditor 31 March 2021	The Emergency Powers gave Councils the right not to hold an Annual Meeting in 2020. However, having chosen to do so Stanway Parish [Council] failed to hold their meeting within the prescribed timescale of May.	ACTION: NOTED	
Internal Auditor 31 March 2021	Transparency Code Although the schedule of payments over £500 is now out of date (<i>on the website</i>) being more than 3 months old.	Noted – updated regularly since.	

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Internal Auditor 31 March 2021	The (Committee Terms of Reference) should be reviewed at each Annual Meeting but would appear not to have been reviewed in 2020. If Standing Orders are followed the business of the Annual Meeting will include this and a number of other important items.	ACTION: COMPLETE	
Internal Auditor 31 March 2021	Health & Safety and Equal Opportunities Policies cannot be found on the website and there is no evidence of them having been reviewed at the Annual Meeting of the Council.	Health & Safety Policy approved at:- Jan 2023 Full Council July 2024 Full Council Equality, Diversity and Inclusion Policy approved at:- 12.2022 Full Council 01.2023 Full Council 07.2024 Full Council ACTION: COMPLETE	
Internal Auditor 31 March 2021	Ensure adequate personnel policies are in place.	Disciplinary Procedure approved by Full Council 05.2024 Grievance Policy approved by Full Council 07.2024 Lone Working Policy approved by Full Council 07.2024 Staff Handbook issued 02.2023 ACITON: COMPLETE	
Internal Auditor 31 March 2022	In view of the fact that staff costs account for 25%+ of the Council's expenditure a separate staffing budget review is recommended, setting out in detail for Councillors the grades and agreed hours of work for each member of staff, together with their current actual salary.	Staffing Committee carried out review September 2022 October 2024 Due November 2024 ACTION: COMPLETE	
Internal Auditor 31 March 2022	Internal Audit Reports A number of matters raised still need to be addressed by the Council. The duplicity of Committees involved in the process (Full Council/Internal Audit/Corporate Governance/Staffing) means there is ample opportunity for important matters to be overlooked. Members should address the Internal Audit Report at Full Council at all times.	Overhaul of committees has happened resulting in number and frequency being reduced May 2023 2022/2023 Review of Internal Audit Process highlighted: Not all the reports of the Internal and External Auditors are considered by the council. And their findings do not always appear to be fed into future audit work. Actions raised within the Internal Audit sometimes took too long to be addressed The External Auditor gave a qualified audit opinion and raised an "other matters" report. This should have been considered by the council' ACTION: Internal and external audit recommendations are delegated to the CGC Committee for review (terms of reference approved)	

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		<p>Full Council has been provided with internal and external audit reports in a timely manner: Internal Audit Report provided by Full Council 07.24 and delegated to CGC to review recommendations (carried out 09.24) 08.2024 Report of the Effectiveness of the Internal Audit Process reviewed by CGC with recommendation to 09.2024 Full Council to note report 09.2024 – External Auditor report for 2023/4 pending ACTION: ONGOING - CGC 09.24 agreed to note</p>	
<p>Internal Auditor July 2022</p>	<p>Terms of Reference It is noted that the Terms of Reference for all Committees were reviewed and updated ahead of the Annual Meeting of the Council (for which this is a standing agenda item). The new, updated Terms of Reference are not shown on the Council’s website page entitled “Our Committees and Staff”. This needs to be addressed.</p>	<p>Terms of Reference have been available on website since 07.2023 (updated 09.2024) Our Committees and Staff Stanway Parish Council (stanway-pc.gov.uk) ACTION: COMPLETE</p>	
<p>Internal Auditor July 2022</p>	<p>Terms of Reference Most terms of reference include the phrase “It will enjoy a substantial degree of autonomy” without reference as to when this autonomy cannot be used. This needs to be addressed in order that Committees cannot agree actions which may have implications on future years’ finances.</p>	<p>The terms of reference have not been changed as each committee wants to keep this clause 09.24 CGC reviewed and rejected recommendation due to each committee working successfully within their terms of reference ACTION: COMPLETE</p>	
<p>Internal Auditor July 2022</p>	<p>Decision Making Good practice would suggest that before an item is decided at Committee, or at Council, a report outlining any legal issues (lawful ability to act) and financial implications (impact on future budgets, borrowings) is made available to each Councillor. The Council should consider adopting this good practice.</p>	<p>Reports are generally provided for major decisions RFO report is provided to CGC Committee and Full Council meetings regarding financial matters 09.24 CGC reviewed and is satisfied with current practices ACTION: COMPLETE</p>	
<p>Internal Auditor July 2022</p>	<p>Clarity of Decisions Whilst expedient during lockdown, officers working at home should do so to a pattern similar to that which would be expected were they to be working at the office.</p>	<p>Attitudes towards working hours have changed since the lockdown and flexible working is considered acceptable. Staffing Committee has approved contracts of employment which support flexi working hours ACTION: COMPLETE</p>	
<p>Internal Auditor July 2022</p>	<p>Follow-Up on Decisions The key issues, with significant risk to the Council, both financially and reputationally, continue to be:</p>	<p>CGC to carry out reviews upon receipt of auditor reports and report back to Full Council every 6 months</p>	

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	<p>a) Lack of personnel policies b) Lack of comprehensive risk assessments (and supporting documentation)</p> <p>There are a number of other issues (asset register, insurance cover) requiring attention and which have been previously raised</p>	<p>Key issues raised have been completed under previous recommendations ACTION: COMPLETE</p>	
<p>Internal Auditor 31 March 2023 (refer March 2022)</p>	<p>In view of the fact that staff costs account for 25%+ of the Council's expenditure a separate staffing budget review is recommended, setting out in detail for Councillors the grades and agreed hours of work for each member of staff, together with their current actual salary.</p>	<p>Staffing Committee carried out review September 2022 October 2024 Due November 2024 ACTION: COMPLETE</p>	
<p>Internal Auditor 31 March 2023</p>	<p>Impact of Inflation and the Likely 2022/23 Budget Outcome Council should ensure that they receive a full and comprehensive report on the Lakeland Centre as soon as possible.</p>	<p>Provided - COMPLETE</p>	
<p>Internal Auditor 23 October 2023</p>	<p>Corporate Governance Committee Terms of Reference That the additional words 'From General Reserves' be added to Terms of Reference 2.b to differentiate between budget virements between cost codes and budget virements from General Reserves, the latter requiring a full Council resolution.</p>	<p>Superseded by later terms of reference.</p>	
<p>Internal Auditor 23 October 2023</p>	<p>Notice of Exercise of Public Rights To retain the Notice of Exercise of Public Rights on the website until completion of the following year's External Audit. The 2022-2023 Notice should be reinstated on the website as soon as possible.</p>	<p>The notice remains available on the website in the document archive.</p> <p>The RFO does not have a statutory obligation to display the notice beyond expiry of the 30-day period.</p>	
<p>Internal Auditor 14 June 2024</p>	<p>Notice of Exercise of Public Rights The Council should evidence that they have correctly provided for a period for the exercise of public rights either by displaying the Notice on the website or in Council approved minutes confirming the dates set.</p>	<p>The Council does not have a not have a statutory obligation to display a notice and the RFO does not have a statutory obligation to display the notice beyond expiry of the 30-day period. Nevertheless, the notice remains available on the website in the document archive.</p>	
<p>Internal Auditor 14 June 2024</p>	<p>Fidelity 'Cover' The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept. To review the level of Fidelity Cover (Fraud and Dishonesty).</p>	<p>CGC reviewed recommendation 08.2024 and agreed that level of cover was acceptable. (refer minutes) ACTION: COMPLETE</p>	
<p>Internal Auditor 14 June 2024</p>	<p>Asset control The Council should verify that the figure in the asset register corresponds with</p>	<p>Full Council provided with Asset Register to review at May 2024 AGM RFO confirmed figures correspond as taken from Asset Register on Scribe</p>	

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	the figure in Section 2, Box 9 of the AGAR.	Accounts Package which feeds into AGAR report ACTION: COMPLETE	
Internal Auditor 14 June 2024	External audit There was no evidence in the minutes that the External Auditor’s report dated 27/9/2023 was considered at a meeting of the Council.	2023 Auditors Report to be noted at 09.2024 Full Council meeting 2023/24 External Auditors Report to be considered by Full Council – pending receipt ACTION: MONITOR UNTIL COMPLETION	
Local Council Consultancy (Independent Report) July 2024	Effectiveness of Internal Audit Report Not all the reports of the Internal and External Auditors are considered by the council. And their findings do not always appear to be fed into future audit work. Actions raised within the Internal Audit sometimes took too long to be addressed For 2022/2023 the External Auditor gave a qualified audit opinion and raised an “other matters” report. This should have been considered by the council	09.2024 CGC to review audit reports on receipt and monitor progress on any agreed recommendations every 6 months 2022/2023 External Auditor report to be considered by 09.2024 Full Council 2023/2024 External Auditor report to be considered by Full Council upon receipt 2023/2024 Effectiveness of Internal Audit Report to be carried out independently by Dec 2024 ACTION: MONITOR	