

Ref	I A Report	Audit Finding	Recommendation	Risk	Management Action	Responsible Officer	Target Date	Progress
1	Nov-18	VAT - The Council needs to be aware that the VAT regime is changing in April 2019, insofar as the method in which data is submitted to HMRC will have to come directly from the financial reporting package.	The Council should ensure that it has upgraded its financial systems to guarantee compliance with the Making Tax Digital regime which comes into force on 1 April 2019 (note: compliance has been deferred for 6 months in respect of local authorities).	The Council may incur fines sanctioned in the draft Finance Bill 2018-19 for late submissions from 2020, or an inability to maintain digital records from October 2019.	The Council has undertaken a review of its current financial systems requirements and has considered alternative suppliers and upgrades. This upgrade alongside the implementation of the base Making Tax Digital module, to ensure compliance with the Finance Bill will take place in March 2019.	Responsible Finance Officer	31.03.19	Complete
2	Nov-18	Governance - The signed annual return and notice of conclusion of audit was not taken to Full Council for approval.	The signed annual return and notice of conclusion of audit should be taken to Full Council for approval.	The Council may be in breach of its Financial Regulations (clause 2.10) which requires that any report from internal or external auditors be brought to the attention of all Councillors.	The Chair of Full Council, in his Chairman's Announcements, at the Full Council meeting on 24 September 2018, reported to all Councillors that the Annual Return and Notice of Conclusion of the audit had been approved by the external auditors. This was noted in the minutes.	No Further Action Required	N/A	NFA
3	Nov-18	Website - Broken links were found on the Council's public facing website.	The website links should be reviewed and updated by the Council.	The Council may appear unprofessional which may damage its reputation.	The Council will review the website links and undertake the necessary repairs and updates as required.	Communications Officer	31.03.19	Complete
4	Nov-18	Committee Minutes - The signed minutes of the Finance and Governance Committee meeting held in October 2018 were not found in the hard copy filing.	The signed minutes of the Finance and Governance Committee meeting should be hard copy filed.	The Council may be unable to evidence compliance with its Standing Orders (clause 5.k.iv) through misplaced documentation.	The minutes of the Finance and Governance Committee meeting in October 2018 have been reviewed and approved by Councillors at the Finance and Governance Committee held on 14 January 2019. Following approval and signature, the hard copy has been filed.	Corporate Support Manager	31.01.18	Complete
5	Nov-18	Standing Orders and Financial Regulations - It was noted that the Standing Orders contents page has become out of sync with the body of the document. It was also noted that the website copy of the Financial Regulations is an older version.	The Standing Orders contents page should be corrected to align it with the body of the document. The website copy of the Financial Regulations should be updated to the most up to date version.	The Council may appear unprofessional which may damage its reputation.	The Council has reviewed and amended the Standing Orders contents page and updated the website copy of the Financial Regulations.	Corporate Support Manager Standing Orders; Communications Officer - Financial Regulations	31.12.18	Complete
6	Nov-18	Bank Reconciliation - The activity of signing the bank reconciliation by the Chair of the Finance and Governance Committee is not reported.	The activity of signing the bank reconciliation should be included in the RFO's quarterly budget monitoring reports to the Finance and Governance Committee.	The Council may be in breach of its Financial Regulations (clause 2.2) which requires that the activity of verifying bank reconciliations should be reported to the Finance and Governance Committee.	The RFO will reports quarterly to the Finance and Governance Committee that the bank reconciliation has been completed thereby verifying compliance with Regulations.	Responsible Finance Officer	{Ongoing}	Complete and Ongoing
7	Nov-18	Purchase Orders - Items exceeding a financial threshold may not be subject to a secondary level of approval.	The control process should be put in place at the ordering level, to ensure that for items exceeding a financial threshold, a secondary level of approval is obtained. The authorisation of the physical invoice can then be completed by the RFO or Senior Finance Officer instead of the budget holder to indicate it can be processed and paid on the financial package.	The Council may risk orders being raised committing expenditure on items exceeding a financial threshold.	The Council has set financial authorisation limits for the raising of orders and the approving of invoices for payment, as set down in the Financial Authorisation Limits for Officers, as approved by the Policy and Resources Committee (11.07.16) for delegation to the City Clerk. The RFO seeks secondary approval from the budget holder at the invoice stage and not at the order stage, because: a) the order has been undertaken in accordance with the Financial Authorisation Limits for Officers, and b) invoice approval provides assurance that goods and services procured are received in full.	Responsible Finance Officer	{Ongoing}	Complete
8	Nov-18	Governance - It appears the RFO's reports whilst comprehensive and complete are accepted without question each time.	The level of councillor review and interrogation of the financials should be greater.	The Councillors may have inadequate understanding of the financial position of the Council in its decision making.	The Council encourages its Councillors to meet with the RFO to discuss and review any aspect of the financials and this will continue.	Responsible Finance Officer	{Ongoing}	Complete

9	Nov-18	Risk Assessment - The risk of fraud and unintentional error are not separately reported in the risk register.	The Council may want to consider expanding on the fraud line item in future to separate out unintentional errors and how internal controls are designed to identify these.		The Council has reviewed the stated fraud risk and revised appropriately. It reports all fraud and unintentional errors separately in the risk register.	Responsible Finance Officer	31.12.18	Complete
10	Nov-18	Fixed Assets - The asset register does not include columns to denote date last physically vouched and condition (good, reasonable, poor).	The asset register should be added to to make this more of a working document by the inclusion of columns to denote a) date last physically vouched, b) condition (good, reasonable, poor).	The Council may not be able to demonstrate compliance with assertion 2 of the Annual Governance Statement that "The authority's assets need to be secured, properly maintained and efficiently managed".	The Council has recognised this weakness (as per BFD Nov-17) and following successful recruitment, the Council now has in place officers to address this audit finding under the Facilities Manager's lead.	Facilities Manager	30.09.19	In Progress
11	Feb-19	VAT - The Council repays circa £50,000 of exempt tax to HMRC each year through its annual partial exemption calculation.	The Council should consider whether VAT opting additional locations / buildings would be advantageous to the Council vis-à-vis the users and the impact of an extra 20% charge to the local community.	The Council may be repaying excess exempt VAT as a consequence of not opting to tax other potential locations and buildings in addition to the Guildhall.	The Finance Manager is attending a partial exemption course in July 2019 to gain an in depth understanding of partial exemption and its effects on the VAT liability of the Council, and to thereafter consider how best the Council can manage its VAT liability.	Responsible Finance Officer	30.09.19	To be undertaken in July 2019
12	Feb-19	Property Rental - The property database is a manual system which is not linked to the financial system. There is no method for the system to list invoices against properties, automatically roll forward billing periods nor enable rudimentary checks to be made on billing cycles.	The manual system is heavily reliant on the user and as a result is inherently weaker. Over time the Council may want to consider a more robust rental package and one that prevents the manual rekeying and input of data.	The value of property rental is not significant and so the risk of missing income on the financial statements is low; however the Council may incur reputational damage as a consequence of failing to raise invoices due.	The Corporate Services Manager, in liaison with Senior Management Team, will review the property database and consider the value of possible alternative packages.	Corporate Services Manager	30.09.19	To be undertaken following successful recruitment of Corporate Support Officer
13	Feb-19	Guildhall Bookings - The booking system is inherently weak due to the manual nature of procedures. It uses a paper based booking form, an unlinked diary system and an unlinked spreadsheet to detail bookings, the latter of which is used by Finance to raise invoices. Testing found that the spreadsheet contained incorrect charging detail and that booking forms lacked auditable referencing.	The manual system is heavily reliant on the user and as a result is inherently weaker; it has lead to misstatements. Over time the Council may want to consider a bespoke booking package that can be linked to financial accounts, or at least will raise the sales invoices that can be processed on the financial reporting package.	The value of Guildhall bookings is not significant and so the risk of missing income on the financial statements is low; however the Council may incur reputational damage as a consequence of incorrectly charging for the use of the Guildhall and other bookings.	The Business Manager will review the booking system and put in place a more robust set of procedures, including: (1) annotation of booking forms with a sequential reference, (2) management checks of detail on forms to approved fees and charges to ensure accuracy, (3) provide Finance with the booking forms for invoice processing, (4) Finance to annotate invoice number on each booking form, (5) Finance to itemise bookings on invoices	Business Manager with support of Responsible Finance Officer	30.06.19	In Progress