



## INTERNAL AUDIT REPORT

### RINGWOOD TOWN COUNCIL 2007/08

#### 1 TERMS OF REFERENCE

- 1.1 To undertake an internal audit on the income and expenditure of Ringwood Town Council for the financial year 2007/08.

#### 2 SCOPE

- 2.1 The main objectives of the audit were to;
- Assess internal controls and the adequacy of procedures,
  - Ensure that all income and expenditure had been accounted for accurately and properly.

#### 3 OBSERVATIONS

- 3.1 Findings, conclusions, actions already taken, and any recommendations are detailed in Appendix 1 in relation to each test.
- 3.2 A separate action plan meeting was held on 10 June 2008 to discuss the recommendations.

#### 4 AUDIT OPINION

- 4.1 Testing showed that adequate controls are in place and working effectively.
- 4.2 There are no significant concerns with the majority of the councils' activities. However, the following recommendations have been made;

##### **Recommendations not yet completed from the previous year**

- To streamline the cemetery process. (Audit agreed at the time of the audit that the written summary should not be completed as the information is held on the Advant system).
- To make payment electronically to suppliers and staff.
- To ensure the Groundsmen have approved work programmes which are monitored.
- To include terms and conditions on the reverse of orders.

### **Recommendations for this year's audit**

- Subject to further clarification regarding block bookings, ensuring VAT is applied correctly on invoices
- Ensure all bank reconcilaiton are checked and signed off
- Ensure insurance for contractors is checked prior to the contractor commencing on site
- To review the calculation of annual leave for part time staff
- Ensure orders are raised prior to receiving goods, whenever possible
- Ensure that inventory records are kept up to date and periodic site checks are undertaken
- To ensure the financial and H&S risk assessments are complete and up to date
- To ensure at least one member of staff has First Aid training
- To complete an ICT Security Policy and refer to members for approval
- Re-consider the security of ICT passwords. No other person should know your password.
- Ensure back up tapes held on top of the server during the week are held in future in the fire proof safe
- Consider savings on the BT contract
- Ensure all data is backed up, a separate back up of Sage is preferable and back up of personnel data is essential
- Ensure there is compliance with Data Protection, (please see the clauses forwarded to the Town Clerk).