

Audit 2007

Report from meeting on the 1st February 2008

Present : Janet Weston, Paul Harries and Peter Harwood

The purpose of the meeting was to discuss Issues arising from Newport Town Council audit year end 31 March 2007.

Matters considered in the BDO report.

1. Risk Assessment.

We need to draw up a financial Risk assessment, agree it and review it prior to 31st March each year and minute agreement and review.

RFO to buy a NTC diary.

See attached Risk Assessment.

2. Insurance

Do we have adequate cover for all our assets.

RFO to prepare a list of our insurance situation.

B & F to provide a list of assets.

3. Budgetary Process

BDO states "Although a precept was set by the due date the council did not minute, as evidence, its review and acceptance of the budget."

We did Mins 18/12/06

4. Budgetary Process (budget monitoring)

BDO states "Although a precept was set by the due date the council did not undertake adequate budget monitoring during the financial year."

We refute the allegation the evidence is available on request.

5. Payment Authorisation

All payments must be an **agenda item** at the Town Council or a committee delegated with the powers to do so.

6. Minuting Approval of the Annual Return

Minute individually.

- a) Section 1 – Statement of Accounts
- b) Section 2 – Annual Governance Statement
- c) The Yes/No answers to section 2

CYNGOR TREF TREFDRAETH/NEWPORT TOWN COUNCIL

Risk Assessment and Management (Financial) 2008 (Review annually and minute before 31st March)

Topic	Risk Identified	HML Risk	Management of Risk	Staff Action	I.A. Freq.
Income					Months
	Not submitted	L	Full TC Minute-RFO follow up	Diary	12
Precept	Not paid by PCC	L	RFO/B&F Check	Diary (payment dates)	12
	Adequacy of precept	H	Quarterly review of budget to actual	Diary (B&F quarterly)	12
Charges-Car Park	Payment Collection	L	RFO/Parrog Yard Comm	Reconcile to allocation	12
Charges -Cemetery	Grave Allocation	M	Burial register /Grave allocation monthly	RFO maintain book	12
	Invoice to Undertakers	M	Check invoice against burial	RFO/B&F	12
Investment Income	Receipt when due	L	RFO/ B& F	Diary	12
	Investment Policy	L	Review policy annually Full NTC	Diary	12
	Surplus Funds	L	Review policy annually Full NTC	Diary	12
Salaries	Wrong salary paid	M	Check against minutes	Member verify	3
	Wrong rate pay	M	Check against minutes	NTC verify	12
	Goods not supplied to TC	M	RFO Check	Approval check	12
Direct Costs and Overhead expenses	Invoices incorrectly calculated	L	RFO Check	Approval check	12
	Cheque payable is excessive	M	RFO Check	Approval check	12
	Cheque payable to wrong party	M	RFO Check	Approval check	12
	Stock Loss	H	RFO/B&F	Reconcile to stock	12
	Power to pay	M	Minute Power	Member verify	12
	Agreement of Council to pay	L	Minute	Member verify	12
Grants and Support	Conditions agreed	L	RFO to Check	Member verify	12
	Follow up verification	M	RFO to check	RFO to verify	12
	VAT analysis	M	RFO/ B& F Check	RFO to verify	12
VAT	Charged on purchases	L	RFO/ B& F Check	RFO to verify	12
	Claimed within time limits	M	RFO/ B& F Check	RFO to verify	12
Reserves General	Adequacy	L	Consider at budget setting	RFO opinion	12
				3 Year Plan	24

Reserves Earmarked	Adequacy	L	Consider at budget and final accounts	RFO opinion	12
	Earmarked or Contingent liability	L	B & F Review Minutes	RFO opinion	12
Assets	Loss damage etc.	M	Annual inspection, update insurance and asset registers	Diary and NTC	12
	Risk or damage to third party or individuals	M	Review Public Liability Insurance	Diary	12
Staff	Loss of Key personnel (Clerk)	L	Review HR policy	NTC	12
	Fraud by Staff	L	Fidelity Insurance	NTC	12
Loss	Consequential loss due to critical damage or third party performance	L	Review insurance cover	Diary	12
	Loss through theft or dishonesty	L	Review insurance cover	Diary	12
Maintenance	Poor performance of assets or amenities loss of income or performance	M	Annual maintenance inspection	Diary	12
	Adequacy of finances to be able to repay loans	M	Financial review and cash flow	Diary	3
Legal Powers	Illegal activity or payment	H	Educate council as to their legal powers	Diary	24
	Overspend on services	H	Ensure correct tendering as per guidelines	Ongoing	12
Financial Records	Inadequate records	L	RFO check quarterly & internal audit	Diary	12
	Accurate and legal	L	Review at following meeting	Diary	12
Members interests	Conflict of interest	M	Update declarations of interest	Diary	12

NPH/PH 12/02/08