

**KETTERING TOWN COUNCIL - INTERIM AUDIT REPORT FEB 2022 – SCHEDULE OF RECOMMENDATIONS AND ACTIONS ARISING**

ITEM	RECOMMENDATION	ACTION/RESPONSE	DATE TO BE COMPLETED
<p><b>Internal Controls</b></p>	<p>The council should adopt a system of internal control appropriate to the risks they face. The council currently has a single employee; therefore, it is not possible for any segregation of duties to take place, this needs to be mitigated against.</p>	<p>Currently all invoices are summarised within a report to Committee each meeting. This recommendation suggests that the copy invoices or receipts should be provided to those members authorised to approve bank and cheque payments before they do so. This is achievable and can start straight away.</p> <p>The recommendation that members verify the bank balance online and compare it to the reported bank balance is only achievable on the day the monthly budget monitoring statement is published as the bank balance will have invariably changed shortly after that.</p>	<p>From March 2022</p>
<p><b>Financial Regulations</b></p>	<p>The council’s financial regulations are still in draft form and are not tailored to the council. The council should ensure that procedures for quotes and Page   2 Northants CALC Internal Audit Service tenders detailed in the council’s financial regulations match those shown in the councils standing orders</p>	<p>A new set of financial regulations are included on the agenda for this meeting for consideration and approval by Council at its next meeting.</p>	<p>By end of March 2022</p>
<p><b>Risk Assessment</b></p>	<p>The council must carry out an appropriate assessment of all the risks facing the council and this risk assessment must be approved by the Full Council</p>	<p>Now that there is a budget and corporate plan in place, a risk assessment can be drafted and presented to council in April</p>	<p>April 2022</p>
<p><b>Pension Arrangements</b></p>	<p>The council needs to ensure that they are complying with their statutory pension obligations and register with the pensions regulator as appropriate</p>	<p>Up to now, there has been no need to register the Council with the pensions regulator or to set up pension arrangements. This compliance will be triggered by the need to sign up any new employee for pension contributions. Members should note that the cost of</p>	<p>April 2022 onwards, as required</p>

		registering as an employer providing pensions is about £2000 and this has not been provided for in the estimates, but is a one off cost that should be manageable within the financial year	
<b>Purchase order system</b>	All orders for good and services to be supported by a purchase order, with the appropriate authority for ordering goods defined in your financial regulations	There is a system in place for issuing purchase orders for goods and services, but it has not been formalized and has largely been in use for the Welcome Back Fund and most non contractual ad hoc payments. A more formal system can be devised.	By 1 <sup>st</sup> April 2022
<b>Accounting System</b>	The Council's financial records are currently maintained on an excel spreadsheet, and this is fit for purpose. In the future the council may find that use of an accounting package would be of benefit.	A financial accounting package will cost approximately £1000 to acquire and incur annual costs thereafter - no work has been done on this yet and systems will need to be explored. Current systems are adequate but time consuming and will become more cumbersome the more items of expenditure are incurred under a growing budget. Members are asked to endorse the search for a suitable accounting system	During May 2022
<b>Transparency Code</b>	The Council must comply with the transparency code and it would be prudent to review the code to ensure that all necessary information is published in the correct format	The transparency code applies to the Town Council kicks in once our budget exceeds £200,000 per annum. It essentially requires publication of <ul style="list-style-type: none"> <li>- Items of spending over £500 in value</li> <li>- Details of all tendering exercises over £5000</li> <li>- Contracts with a value of more than £5000 PA</li> <li>- Land registers</li> <li>- Grants to voluntary bodies</li> </ul> This can be achieved without too much difficulty; the information is already in the public domain by way of the monthly reports to this committee, but it would be time consuming to expect someone to work through all these reports and out-with the spirit of the Code.	From April 2022 onwards