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Totnes Town Council

Internal Audit Report: Final update 2016-17

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Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. We at Auditing Solutions Ltd were approached by the Clerk requesting assistance for 2015-16 following the untimely hospitalisation of the Council's existing internal audit service provider. We have subsequently been appointed for 2016-17, also as Independent Examiner to the Sidney Paige Adams Bequest Charity for 2015-16 and beyond.

Internal Audit Approach

In conducting our review of the Council's accounts and governance controls for 2016-17, we have had due regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / Annual Return. Our programme of cover, as applied to all clients, is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's Annual Return, which requires independent assurance over a number of internal control objectives.

We have also examined the financial records relating to the Paige Adams Bequest Charity for 2015-16 and 2016-17 during the course of our visits to the Council this year and duly "signed-off" the Independent Examiners' Certificates for both years with no issues arising (see separate report).

Overall Conclusion

Detail of the work undertaken on the Council's accounting and other records is set out in the following detailed report, together with those issues arising with recommendations further summarised in the appended Action Plan. We are pleased to conclude that, in the areas examined this year, the Council's officers have maintained generally adequate and effective internal control arrangements. We have checked and are pleased to acknowledge the progress made to address issues identified in our previous 2015-16 and interim 2016-17 reports, although one or two, understandably, remain to be actioned following the departure of the former Clerk and the Finance / Planning Officer (FPO). These are set out in the attached detailed report in order that they are not overlooked and are addressed appropriately in the fullness of time.

We take this opportunity to again thank the above staff and their replacements for the clear manner in which documents are filed and have been presented for our examination.

We have, consequently, signed off the Internal Audit Report in the year's Annual Return assigning positive assurances in each relevant area, apart from that in relation to financial and other risk assessments, which have not been subjected to further detailed review and formal re-adoption by the Council in the financial year contrary to the requirements of the Governance and Accountability Manual.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in the cashbooks as prepared. We note that the RBS Rialtas Omega software continues in use to record the Council's financial transactions. Two bank accounts are in use with HSBC recorded in separate cashbooks, one relating to Town Council transactions, the second to the former TIC. A further cashbook is in use to record petty cash transactions.

In order to assess the adequacy, accuracy and appropriateness of transactions for 2016-17, we have:

- Agreed the opening cashbook balances for 2016-17 with those in the 2015-16 certified Annual Return;
- Ensured that the accounts remain "in balance" at the financial year-end;
- Examined and verified three months' transactions as recorded on the current account cashbook (April and September 2016, plus March 2017) by reference to supporting bank statements;
- Verified, due to their low volume, the full year's transactions on the former TIC account;
- Verified the accuracy of bank reconciliations on each account at the end of each of the same three months, noting that detail is presented to members periodically in line with the requirements of the Governance and Accountability Manual; and
- Examined the controls in place over the raising and cross-checking of financial journals raised on the accounting software.

We discussed the IT back-up arrangements with the Town Clerk at our 2015-16 visit and considered them sound apart from noting that no attempt had been made to ensure that the backed-up data was sound and could be restored: we now note that this has been tested and found satisfactory.

Conclusions

We are pleased to record that no issues of concern have been identified in this area from examination of the controls in place and testing completed.

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We also aim to ensure that appropriate policies, procedures and protocols are in place to prevent and provide a reasonable assurance of the detection of any fraudulent or corrupt activity.

We have continued our review of the Council's and Standing Committees' minutes for the financial year and to date in 2017-18 examining them to identify whether or not any issues exist that may

have an adverse effect, through litigation or other causes, on the Council's future financial stability and are pleased to record that no such concerns have been identified.

We were pleased to note in our 2015-16 report that the Council had adopted both Standing Orders (SOs) and Financial Regulations (FRs) based on NALC model documents, although the FRs appeared to be based on a pre-2014 version in certain respects. We were, however, pleased to note that the more recently adopted edition of the FRs (March 2016), reflected the changes in EU legislation effective from April 2015 relating to the legal requirement to formally advertise any contracts with a total value in excess of £25,000 in the Government's Contract Finder website. However, unlike the latest NALC model document (published in January 2016), which indicates a formal value for tender action of £25,000, the FRs identify a value of £75,000 (Paragraph 11 (b)), whilst the SOs (Para 29(b)) record a value of £60,000. We consider that the tender limit should be consistently identified in both documents and set at the standardised value of £25,000 in line with the above revised procurement requirements.

We also noted one or two other inconsistencies in the document (e.g. reference to a Finance & General Purposes Committee) and suggested to the former TC that a further review should be undertaken bringing the FRs and SOs into line with the latest NALC model documents and provided the former TC with a soft copy of the latest FRs in order to assist the process. Unfortunately, we do not have a copy of the latest model SOs and suggest that SLCC or NALC be approached to obtain a copy.

We understand that the new Deputy Clerk is currently working on appropriate revisions to the SOs and FRs aiming to bring them into line with actual working practice at the Council, whilst paying due heed to the above legislative requirements and reducing the value at which formal tender action is required accordingly.

Last year, we also discussed the governance arrangements in relation to succession management, suggesting that formalised and detailed financial procedures should be developed. We are pleased to acknowledge the positive progress in this respect and have thanked the FPO accordingly.

Conclusions and recommendation

We are pleased to record that no significant issues arise in this area of review, other than the need to ensure a consistent value for tender action is recorded in both the FRs and SOs ideally bringing both documents into line with the extant procurement guidelines, together with incorporating detail set out in the latest NALC model FRs in relation to use of internet banking facilities and the need to ensure appropriate controls remain in place.

R1. In order to ensure that the Council's governance framework is in line with regulatory requirements, as regards tendering and use of internet banking facilities, the existing Standing Orders and Financial Regulations should be reviewed in the light of the latest NALC model documents and changes in EU legislation and be updated and re-adopted accordingly. A review of these documents is in hand currently: both will be presented to the Council for formal approval and adoption in the near future.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council’s approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We discussed the process of approving payments and their release with the FPO at our interim visit and considered the controls in place appropriate and effective, with members clearly indicating their approval of payments both on the invoices themselves and on a covering schedule generated by the accounting software. We are also pleased to note that, following our previous report recommendation, an appropriately designed rubber certification stamp has been acquired and is now in routine use.

In order to confirm the effectiveness of the control and governance arrangements over payments, we have examined a sample of 64 payments in the financial year totalling £181,200 and equating to 57% of the total value of non-pay related payments processed in the year with all the above criteria met.

We note that VAT reclaims continue to be prepared and submitted to HMRC quarterly and have verified the content of the four reclaims for the year by reference to the control account in the accounting software.

Conclusions

We are pleased to record that no matters of concern have been identified in this area as a result of testing undertaken.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We have examined the Council’s current year insurance policy schedule, renewed after due deliberation, with Aviva to ensure that appropriate cover is in place, noting that “Employer’s” and “Public Liability” cover both stand at £10 million, together with “Fidelity Guarantee” (FG) cover at £393,000 and “Business Interruption – Loss of Gross Rental Income” at £140,000. We acknowledge the increase in FG cover in line with our 2015-16 recommendation and are pleased to record that no issues arise in this area this year.

We were pleased to note in last year’s report that an appropriate risk register was in place, which was reviewed and re-adopted formally by the Council during the course of that financial year:

however, we have seen no evidence that a further review has been undertaken during 2016-17 other than the work undertaken by the former TC using the LCRS software prior to her resignation, which has consequently not been finalised or presented to Council for formal adoption.

Conclusions and recommendation

Due to the absence of any formally completed review and re-adoption of the previous risk assessments or the LCRS software in the year, we have had to record a negative response in relation to this aspect of the Internal Audit Report in the year's Annual Return, although we acknowledge that the oversight has occurred as a result of the staff changes towards the end of the financial year.

R2. The Council must ensure that formal risk assessment, ideally using the LCRS software, are completed and formally adopted at least once annually in accordance with the requirements of the Governance and Accountability Manual.

Precept Determination and Budgetary Control

We aim in this area to ensure that the Council has sound procedures in place for determining its annual budgetary and precept requirements, together with sound monitoring procedures to highlight any potential overspending as soon as it may become apparent. We note that, following due deliberation, the Council approved and adopted a precept for 2017-18 of £344,527 (a 10% increase over the 2016-17 precept), plus the Tax Support Grant of £24,658 totalling £369,186.

We noted at our interim visit that both tranches of the year's precept and Council Tax Support Grant (CTSG) had been received, although examination of the Omega financial ledger indicated that the CTSG was coded as part of the year's precept: we are pleased to note that, following discussion with the then then FPO, an appropriate journal adjustment was processed.

We have examined the year-end budget outturn seeking and obtaining appropriate explanations for the few significant variances existing with no further action or comment required.

Finally, in this area, we have considered the ongoing appropriateness of the level of retained reserves noting that in total they have increased to £291,170 from £280,829 as at 31st March 2016 with the General Reserve balance increasing to £270,447 from £260,100, leaving earmarked reserves totalling £20,723. The General Reserve equates to 8½ months' revenue spending at the 2016-17 level which is marginally higher than the generally recognised CiPFA guideline of between three and six months. We also note that the earmarked reserves appear to have not been reviewed to consider the ongoing need to retain them at the above level or indeed to create additional reserves.

Conclusions and recommendation

We are pleased to record that no significant issues arise in this area this year, although we suggest that members should, as part of the annual budgeting process, consider the ongoing requirement for each earmarked reserve or establishing additional reserves with conclusions formally minuted.

R3. Members should, at least annually, review the need to retain earmarked reserves at the same level determining whether or not additional funds should be transferred to or from them or new reserves be created.

Review of Income

The Council receives income primarily by way of the annual precept and Support Grant (as above), together with burial and associated fees, Guildhall admission and hire charges, rents arising from the letting of Council owned properties, TIC income (although this ceased in September 2016 with the closure of the TIC), plus that arising from a number of other relatively minor miscellaneous sources.

We discussed the controls in place over the recovery of income for a selection of these sources with the former TC and FPO, examining in detail the burial register and fees arising from memorials for the financial year to 31st October 2016, again ensuring that the legally required documentation (e.g. Burial and Cremation certificates) was held and that appropriate fees had been levied and recovered within an appropriate time frame.

We have also considered the recovery of income arising from the letting of Council properties, noting that each month's income due for the current year has been received and recorded accordingly in the appropriate nominal account codes.

We also note that, in accordance with the requirements of the Council's FRs, cemetery and associated fees and charges were reviewed during the previous financial year with a 5% increase approved for implementation from 1st April 2016.

We have examined the Omega detailed transaction reports for the financial year for each income head ensuring that appropriate entries appear in each and that no significant miscodings have occurred, also ensuring that, as far as we may reasonably be expected to determine, all income due to the Council has been received and accounted for appropriately.

As identified in last year's report, we noted at our interim visit that cash income, arising primarily from the Guildhall, was being held in with the petty cash account funds, noting that a significant sum of cash plus cheque income was held at the time of our interim visit. Whilst we acknowledge the difficulties arising from closure of the Council's HSBC bank in Totnes, good accounting practice and, as specified in the Council's own FRs (Paras 6.4(b) and 9.5), all income received should be banked intact. We also noted the winter closure of the Guildhall, which significantly reduced the level of cash income received.

We discussed potential alternative arrangements with the former TC and FPO at the time of our interim visit and are pleased to note that a company debit card has been acquired and is being used for relevant purchases and also for the withdrawal of cash to "top-up" the petty cash account.

Finally, in this area, we have updated our year-on-year analysis of income across the various nominal account headings, detail of which will be applied when considering our approach to the review of income next year.

Conclusions and recommendation

We are pleased to record that, apart from the retention of cash income at the Council offices identified at our interim visit, no further significant issues have been identified in this review area.

R4. Urgent action should be taken to ensure compliance with the Council's Financial Regulations with cash (and cheque) income banked intact and at regular intervals: we commend the use of a bank debit or similar card to facilitate appropriate action in this respect. Appropriate action has been taken to address this with income received now being banked intact.

Petty Cash Account

We are required, as part of the Annual Return Internal Audit Certificate, to review and verify the soundness of controls over the operation of the Council's petty cash account. Consequently, we have examined a sample of three months' transactions (August to October 2016) on the account ensuring that: -

- each payment is supported by an appropriate trade invoice or till receipt; and
- any VAT incurred is identified and coded to the VAT control account for subsequent recovery.

We note that a separate cashbook is maintained in the Omega accounting software, together with a hand-written petty cash account book. In addition to checking a sample of payments, we also verified the physical cash held to the underlying records at the time of our interim visit (i.e. 31st October 2016) noting, as indicated above, the use of cash income to effectively "top-up" the petty cash account.

In examining the transactions, as recorded, we noted that several were for fairly significant sums and understood that this arose as the Council had no credit or debit card available to meet such expenses. We also understood that officers had, on occasions, to use their own credit cards in order to ensure that the Council benefits from the best available prices where purchases are made through the internet, etc. We would normally not expect to see individual "petty" cash payments exceeding £20 or £25 as a maximum and again discussed with the former TC and FPO at the time of our interim visit suggesting the advisability of acquiring a debit (or credit) card in order to meet any future expensive acquisitions or services. We have also suggested that the petty cash account be operated on an "imprest" basis with a fixed balance: any expenditure should then be reimbursed periodically to bring the balance back to the agreed "imprest" level, although the closure of the Council's bank in the town has effectively removed that opportunity with only round sums able to be drawn from the "hole in the wall" cash machines..

Conclusions and recommendation

Apart from the issues referred to in the previous section of this report in relation to the "topping-up" of the account with cash income, we indicated in our interim report, as discussed with the former TC and FPO, that consideration should be given to the acquisition of a debit or credit card to avoid the use of the petty cash account or officers personal credit cards to make purchases on behalf of the Council: we are pleased to note that an appropriate card has been acquired and, having reviewed the controls put in place by the new Deputy Clerk, consider them very sound.

- R5. *Members should give urgent consideration and approval to the acquisition of an appropriate debit or credit card to assist in the banking of cash income and also to defray the cost of any significant purchases. A debit card has been acquired with appropriate controls put in place over the authorisation of any expenditure by this means.*
- R6. *The petty cash account should be operated in an “imprest” basis with the account “topped-up” as and when required to return the cash float to the agreed “imprest” holding level. Due to the absence of a High St bank this has not proved practicable, as only round sum withdrawals can be made from cash machines.*

Salaries and Wages

In examining the Council’s payroll function, we aim to confirm that salary payments are in line with the Council approved pay rates and that extant legislation is being appropriately observed as regards adherence to the requirements of HM Revenue and Customs (HMRC) legislation in relation to the deduction and payment over of income tax and NI contributions. The Council currently (October 2016) employs six members of staff: consequently, we have reviewed the monthly gross salary paid to each in October 2016 ensuring that detail corresponds to the Council agreed salary rates and, where applicable, records supporting any additional hours payable or adjustments to basic salary.

We have also checked the basis of pension contribution deductions for the three administrative staff contributing to the LG Pension Scheme noting that the Deputy Clerk’s overtime of 6 hours paid with the October 2016 salary were not included in calculating the pension contribution due resulting in an under-deduction of the contribution for the month, with resultant over-payment of income tax, as pension contributions are exempt from tax. Consequently, we have examined the preceding six months’ detail of the overtime payments made to the all staff, noting that the Deputy TC’s payments include 31 hours in June and 8 in July, also noting 2 hours overtime paid in September to the FPO.

We also noted at our interim visit that salaries in October 2016 were still being paid at the 2015-16 level without uplift to reflect the national pay award applicable from 1st April 2016, also noting that the Personnel Committee approved the increase at their recent meeting, which was ratified at the next full Council meeting with amended salaries being paid at the correct rates for the the year.

Following the significant changes in senior staff since our interim visit, we have ensured that appropriate employment contracts are in place for the newly appointed Town and Deputy Town Clerks. We have also reviewed their salary payments made in March 2017, ensuring that the appropriate contracted pay rates have been applied since taking up their now substantive roles.

Finally, in this area, we note that several councillors are in receipt of a councillor’s allowance: whilst we have no specific concerns in this respect, we remind members that such payments are regarded by HMRC as “benefits in kind” and subject to income tax: as these allowances are paid gross to councillors currently, should they not be declaring them as earnings on their annual tax returns, the Council could potentially be at risk of not ensuring that any tax liability is observed.

Several of our clients pay these allowances through their payroll with any tax liability duly identified and paid over to HMRC accordingly.

Conclusions and recommendation

As indicated above, we identified an error of omission at the time of our interim visit with regard to the non-inclusion of overtime hours as a pensionable emolument: we provided the former FPO with appropriate detail suggesting that she contact the payroll software provider to determine the best way of correcting the errors in the current year, whilst also ensuring that any such overtime payments are included in the pension calculations in future months.

With regard to the potential tax liability of individual councillors in relation to their annual allowance, we suggest that each recipient be asked to provide formal confirmation of the declaration of the earnings to HMRC in order to avoid any potential liability on the Council.

R7. The under-deductions of pension contributions in respect of overtime should be corrected in the current financial year with the software also amended to ensure that in future months any such overtime is included in the pension deduction calculations. Appropriate amendments have been made in this respect and the correct principles are now being applied.

Fixed Asset Register

The aforementioned G&AM requires all councils to maintain a record of all assets owned. We are again pleased to note the existence and maintenance of an appropriate register, with detail of the Council's asset stock being recorded. We note that, following closure of the TIC, assets have been transferred to the Guildhall and Council offices: we also note the addition of solar panels that were acquired previously, but had been overlooked in prior years' versions of the asset register. We have, consequently, agreed the value as recorded in the updated register as far as we are practicably able to, also ensuring its disclosure appropriately in the year's Annual Return.

A number of our clients have also developed photographic registers of their assets, which has proved of assistance in progressing any insurance claims where assets have either been stolen or vandalised. We consider this a further example of best practice and commend it to the Council for future consideration.

Conclusions and recommendation

No matters of concern have been identified in this area this year, although as indicated above, we suggest that consideration be given to the development of a photographic record of street furniture, etc.

R8. Consideration should be given to the development of a photographic register of the Council's asset stock in order to assist in the smooth progression of any insurance claim that may arise as a result of theft or damage to the property.

Investments and Loans

The Council has no funds in investments, nor does it hold any significant funds in interest earning deposits, the majority of funds being held in the HSBC current account: we appreciate that in the present economic climate, there is limited potential to earn interest on Council funds. Notwithstanding that, the Council has a duty to both protect its available resources (the Government

Bank Compensation Scheme will only underwrite up to £75,000 held in one bank), but to also maximise its interest earning potential.

A single loan received from PWLB remains in place with repayments made at half-yearly intervals. We have, as part of our above expenditure review test sample, agreed the two repayments made in 2016-17 by reference to the PWLB repayment demands, also ensuring the accurate disclosure of the residual year-end loan liability in the annual Return, the value of which we have verified by reference to the UK Debt Agency website.

Conclusions and recommendation

No significant matters have been identified in this area at present, although we consider that the Council should both consider diversification of its banking arrangements to ensure that public funds are not exposed to risk through a bank “failing”, whilst also seeking to maximise potential interest earning opportunities.

R9. The Council should ensure that appropriate security is afforded to the public funds it manages, whilst also endeavouring to maximise interest earning potential on the surplus funds held.

Statement of Accounts and Annual Return

As part of our review process, we have again examined the Council’s procedures in relation to the identification of detail for inclusion in Section 2 of the Return, which is generated automatically by the Omega accounting software. We have, consequently, checked the accuracy of detail to be recorded in the year’s Return, again noting at our interim visit that external contract cleaning and caretaking costs at the Guildhall on Code 3101 (undertaken by Devon Commercial Cleaning) and Civic Hall on Code 3201 (undertaken by Totnes TV & Electrical) were still linked to Box 4 as a “Staff cost”. We drew attention to this misanalysis in last year’s report and reminded the former TC & FPO that, as this work is undertaken by external contractors who are not actual employees of the Council, the associated costs on these two codes should be amended and linked to Part 2, Box 6 on the Annual Return as “Other Costs” rather than to Box 4 – “Staff costs”.

We also again note that nominal account code 3115 (Staff and Volunteer costs) includes a number of small value transactions that are not staff employment related. These costs should be transferred by journal adjustment from a “staff cost” code to a suitable and more appropriate “miscellaneous expenses” code linked to Box 6 on the Annual Return.

Conclusions and recommendation

The above identified amendments to the nominal ledger linking to the Annual Return were appropriately made in advance of the year-end Account’s closedown.

On the basis of the generally satisfactory conclusions drawn from our programme of work for the year we have duly signed off the Internal Audit Report in the 2016-17 Annual Return assigning positive assurances in each relevant area, with the exception of that relating to risk assessments where, as indicated earlier in this report we have seen no evidence of any formal review or eradication of the extant registers during the financial year.

*R10. Appropriate adjustments should be made to the analysis of non-pay related expenditure on codes 3101, 3201 & 3115 to ensure that only true costs of staff employment are reported at Box 4 of the current and future year's annual Returns. **Appropriate adjustments to the Annual Return links in the Omega software have been made correcting this mis-analysis of expenditure.***

Rec. No	Recommendation	Priority	Response
Review of Corporate Governance			
R1	In order to ensure that the Council's governance framework is in line with regulatory requirements, as regards tendering and use of internet banking facilities, the existing Standing Orders and Financial Regulations should be reviewed in the light of the latest NALC model documents and changes in EU legislation and be updated and re-adopted accordingly.	Medium	<i>A review of these documents is in hand currently: both will be presented to the Council for formal approval and adoption in the near future.</i>
Assessment and Management of Risk			
R2	The Council must ensure that formal risk assessments, ideally using the LCRS software, are completed and formally adopted at least once annually in accordance with the requirements of the Governance and Accountability Manual.	High	
Budgetary Control and Reserves			
R3	Members should at least annually review the need to retain earmarked reserves at the same level determining whether or not additional funds should be transferred to or from them or new reserves be created.	Low	
Review of Income			
R4	Urgent action should be taken to ensure compliance with the Council's Financial Regulations with cash (and cheque) income banked intact and at regular intervals: we commend the use of a bank debit or similar card to facilitate appropriate action in this respect.	N/a	<i>Appropriate action has been taken to address this with income received now being banked intact.</i>
Petty Cash Account			
R5	Members should give urgent consideration and approval to the acquisition of an appropriate debit or credit card to assist in the banking of cash income and also to defray the cost of any significant purchases.	N/a	<i>A debit card has been acquired with appropriate controls put in place over the authorisation of any expenditure by this means.</i>
R6	The petty cash account should be operated in an "imprest" basis with the account "topped-up" as and when required to return the cash float to the agreed "imprest" holding level.	N/a	<i>Due to the absence of a High St bank this has not proved practicable, as only round sum withdrawals can be made from cash machines.</i>

Rec. No	Recommendation	Priority	Response
Review of Salaries and Wages			
R7	The under-deductions of pension contributions in respect of overtime should be corrected in the current financial year with the software also amended to ensure that in future months any such overtime is included in the pension deduction calculations.	N/a	<i>Appropriate amendments have been made in this respect and the correct principles are now being applied.</i>
Fixed Asset Registers			
R8	Consideration should be given to the development of a photographic register of the Council's asset stock in order to assist in the smooth progression of any insurance claim that may arise as a result of theft or damage to the property.	Low	
Investments and Loans			
R9	The Council should ensure that appropriate security is afforded to the public funds it manages, whilst also endeavouring to maximise interest earning potential on the surplus funds held.	High	
Statement of Accounts and Annual Return			
R10	Appropriate adjustments should be made to the analysis of non-pay related expenditure on codes 3101, 3201 & 3115 to ensure that only true costs of staff employment are reported at Box 4 of the current and future year's annual Returns.	N/a	<i>Appropriate adjustments to the Annual Return links in the Omega software have been made correcting this mis-analysis of expenditure.</i>