

**Kirton in Lindsey Town Council Interim Internal Audit recommendations 2019-20**

Recommendation	Brief comment	Action	NOTES
1. Staff training should be included under Administration in the cash book and hence not included in Staff Costs on the AGAR. (Moderate)	Staff training costs included in the Staff Costs section of the cash book now moved to show under Administration.	Completed - noted for going forward.	DONE
2. A detailed calculation of the payment to the Mayor's chosen charity should be prepared in support of the final payment for audit and verification purposes. (Moderate)	Detailed breakdown prepared, but not included within the payments folder - copy now attached.	Completed and noted for future.	DONE
3. It should never be assumed that registration for VAT purposes means that all value added tax can be recovered. Owing to the complexity of VAT legislation, it is recommended that advice be sought from HMRC when any new projects are undertaken, significant capital expenditure is being considered or any new matters arise. (Minor)		Noted	DONE
4. The external hard drive used for back-up of the council's electronic data should be password protected to safeguard the council's interests in the event of loss or theft. (Moderate)	This is a direct consequence of removing data from the office for storing offsite as recommended last year. Password protection to be looked into.	Alternative secure storage arranged.	DONE
5. All VAT, under HMRC's simplified invoice/receipt rules, should be identified in the council's accounting system and subsequently reclaimed. (Moderate)	Items not yet fully itemised for the VAT returned due in April will be itemised and logged on the VAT return when it is completed.	Completed with VAT return.	DONE
6. The insurance company should be requested to increase the sums insured on respect of the purchase of a safe and three noticeboards during the year. (Moderate)	Up to date asset register information is an ongoing process and notification is due to be sent to the insurers for these items.	Work completed in line with priorities.	DONE
7. The cost of completing the fence on the Green should be analysed as "The Green" expenditure rather than Open Spaces in the Council's accounts. (Moderate)	Distinction between Open Spaces and The Green to be clearer going forward.	Amended within the cash book.	DONE
8. The Council should continue to separately account for both income and expenditure on behalf of the Torksey Charity and ensure it does not include any such Trust Fund transactions in the Council's account. (Moderate)		Noted.	DONE
9. The Council should continue to ensure that it meets the Charity Commission's requirements in respect of the Trust Funds that it manages. (Moderate)		Noted.	DONE

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Recommendation	Brief comment	Action	NOTES
<p>1. A detailed record of receipts and payments in respect of the Mayor's chosen charity should be prepared to support the final payment(s) made, for audit and verification purposes. (Moderate)</p>	<p>All information is recorded within the monthly Finance Statements, and within the Cashbook recording process, however a separate information sheet is requested in this recommendation for even further clarity. An additional detailed breakdown was prepared for 2019-20 but noted as "too detailed" so an alternative report now to be prepared as part of finalisation of any payments to be made.</p>	<p>Noted for going forward.</p>	<p><b>DONE</b></p>
<p>2. Following the issue of updated guidance from HMRC during September last year, the Council should note that it is unable to claim Employment Allowance unless it has charitable status. The Council should, therefore, check that it is not claiming this allowance and, if it is, it should untick the box on the payroll software system to cease claiming it. Further advice can be obtained using the following link;</p> <p align="center"><a href="http://www.gov.uk/government/publications/employment-allowance-more-detailed-guidance/eligibility-for-employment-allowance-further-employer-guidance">www.gov.uk/government/publications/employment-allowance-more-detailed-guidance/eligibility-for-employment-allowance-further-employer-guidance</a> (Minor)</p>		<p>The Council has not claimed this allowance.</p>	<p><b>DONE</b></p>
<p>3. The insurance company should be requested to increase the sums insured in respect of any new purchases during the year that the council wish to insure. (Minor)</p>		<p>Insurance company notified of new purchases.</p>	<p><b>DONE</b></p>
<p>4. The council should continue to separately account for both income and expenditure on behalf of the Torksey Charity and ensure that it does not include any such Trust Fund transactions in the council's accounts. (Minor)</p>		<p>Standard practice.</p>	<p><b>DONE</b></p>
<p>5. The council should continue to ensure that it meets the Charity Commission's requirements in respect of the Trust Funds that it manages. (Minor)</p>		<p>Standard practice.</p>	<p><b>DONE</b></p>