

BISHOP AUCKLAND TOWN COUNCIL

Response to Internal Auditors Recommendations – Agreed at Town Council Meeting held on 19th June 2018

Auditor's Recommendations	Proposed Response												
<p>1 The Councils projected Reserves for year end 2018/19 The Council's external auditor has given guidance that reserves should be between 25% and 110% of precept.</p> <p>Unless the Council reviews its decision on the option to be progressed on the purchase/refurbishment of new offices then there could be serious implications on the projected level of reserves at the year end.</p> <p>I would anticipate that the projected reserves could possibly fall foul of the external auditor's advice unless the Precept is increased considerably and then run the risk of a local referendum being called.</p>	<p>Proposed Action: The amount of reserves to be used to fund the purchase of council offices be reviewed when costs of additional works are known with a view to retaining working reserves of at least 25%.</p> <p>Consideration be given to an appropriate level of reserves for future years.</p>												
<p>2 Deposits The Council should endeavour to spread its deposits with a view to keep the maximum balance with any Bank below the £85,000 threshold. If possible use first the current accounts with balances exceeding £85,000.</p>	<p>Balances on accounts as at 12th June 2018</p> <table> <tr> <td>Lloyds Deposit Account</td><td>£98,531.87</td></tr> <tr> <td>Lloyds Current Account</td><td>£1,526.95</td></tr> <tr> <td>Lloyds Mayor's Account</td><td>£0.54</td></tr> <tr> <td>Darlington Building Society</td><td>£98,681.58</td></tr> <tr> <td>Nationwide</td><td>£107,516.12</td></tr> <tr> <td>Santander</td><td>100,000.00</td></tr> </table> <p>Proposed Action: Consideration be given to opening additional deposit accounts so that a maximum balance is £85,000 on each account.</p>	Lloyds Deposit Account	£98,531.87	Lloyds Current Account	£1,526.95	Lloyds Mayor's Account	£0.54	Darlington Building Society	£98,681.58	Nationwide	£107,516.12	Santander	100,000.00
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<p>3 Use of Council debit card The Clerk to clarify whether the Council's insurance cover includes the use of a Council debit card and the amount of such cover included.</p>	<p>Zurich Municipal has advised that the Council is covered if an employee fraudulently uses the card (Fidelity Guarantee) however, not if it is lost or stolen.</p> <p>Lloyd's Bank have advised that the debit card would be cancelled with immediate effect when it is reported lost or stolen. Their Debit and</p>												

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	<p>Disputes Team will deal with any fraudulent transactions on the account with a view to recovering funds.</p> <p>No further action required</p>
<p>4 Money in Transit The Clerk to arrange for this risk to be added to the Council's insurance cover.</p>	<p>The Town Clerk, in consultation with the Mayor and Chairman of Finance Committee, has arranged 'Money in Transit' cover to be included in the Council's insurance at a cost of £28</p> <p>No further action required</p>
<p>5 Tree Survey The Clerk to include reference in the Council's Audit Planner a tree survey in 2019/20.</p>	<p>Proposed Action: Tree survey to be undertaken in 2019/20</p>
<p>6 Business Interruption The Clerk to add this risk to the Council's cover in the event of moving offices.</p>	<p>Proposed Action: Insurance cover be reviewed when new offices are purchased.</p>
<p>7 The General Data Protection Regulations and Transparency Code The Clerk to clarify whether any implications arising from these Regulations need to be included in the Council's insurance cover.</p>	<p>Zurich Municipal has advised that GDPR cover applies as previously in relation to data protection. The Council's policy will cover legal costs but not fines.</p> <p>No further action required</p>
<p>8 Members Training The Clerk to clarify whether there are implications to the Council in Councillors not attending sufficient training sessions.</p>	<p>Proposed Action: Members be encouraged to attend training where applicable and appropriate</p>
<p>9 Staff Salaries The Council should review staff salaries on a regular basis.</p> <p>With the likelihood of extra work and responsibilities arising from the purchase of new offices, and the recent changes, in the Transparency code and GDPR it might now be an opportune time for the Clerk to submit a detailed report on the matter.</p>	<p>Proposed Action: Consideration be given to undertaking a review of staff salaries to take into account additional work and responsibilities, including those associated with the purchase and management of council offices, GDPR, increased activity relating to the outcome of the Parish Plan.</p>