
Watton Town Council

Internal Audit Report 2017-18 (Final update)

Stephen Christopher

for Auditing Solutions Ltd

Background and Scope

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 Governance and Accountability Return (AGAR). Auditing Solutions Ltd has provided this service to Watton Town Council since 2015-16.

This report provides detail of the areas examined and the results of our final audit visit in relation to the 2017-18 financial year, which took place on 7th June 2018. It updates the report we issued following our interim audit visit in January 2018.

Internal Audit Approach

In undertaking our internal audit work, we have had regard to the materiality of transactions and their susceptibility to potential misreporting or misrepresentation in the year-end 'Statement of Accounts' in the AGAR. We have employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in a number of key areas in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme of cover has been 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 'Annual Internal Audit Report' on Page 3 of the AGAR, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

On the basis of the programme of work we have undertaken, we have concluded that the Council has continued to maintain an adequate and effective system of internal control. We have completed and signed the 'Annual Internal Audit Report' in the 2017-18 AGAR, having concluded that the internal control objectives as set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

We have identified a number of areas where we consider that action needs to be taken. These include some matters raised in our interim report and the previous year's audit, where the agreed actions are still in progress. Details of the matters arising from our audit are set out in the body of the report, with the recommendations arising drawn together in the appended Action Plan. We ask that Members consider the content of this report and respond in due course to the recommendations set out in the Action Plan, indicating, where appropriate, the actions to be taken and the likely timescale for their implementation.

This report has been prepared for the sole use of Watton Town Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions

Detailed Report

Accounting and banking arrangements

Our objective is to confirm that the accounting records are accurate and up to date, with no anomalous entries in the cashbooks or financial ledgers, and that appropriate banking arrangements are in place.

For 2017-18, the Council has continued to use the Scribe accounting software to maintain its financial records. Last year we highlighted the importance of ensuring that staff fully understood the capabilities of the software and we are pleased to note that external training has been provided during 2017-18 to assist with this.

The Council currently banks with Barclays Bank Plc. There are two bank accounts; the main 'Community (Current) Account' for day to day transactions and a 'Business Premium (instant access savings) Account'. As noted in our interim report, the Town Clerk is continuing to investigate the transfer of the banking services to Unity Trust Bank, but as at the time of our final audit visit, no decision had yet been made as to when any change will take place.

In undertaking our audit for the year, we confirmed that:

- there was an accurate roll-forward of prior year closing balances to 2017-18;
- the accounting ledger remained "in balance" at the year-end;
- the coding structure in place for the 2017-18 financial year provided sufficient detail to enable effective budget monitoring to be undertaken;
- the detail of receipts and payments recorded on the Scribe system for two sample months (June 2017 and March 2018) agreed to the supporting bank statements;
- the bank reconciliations as at 4th December 2017 and as at 31st March 2018 reconciled to the Scribe accounts;
- the overall cash balance has been reported correctly in the draft AGAR (Section 2, line 8), and
- the Council's IT systems, including Scribe, continue to be backed up on 'File cloud' by Anglia IT Solutions.

Conclusion and recommendations

In overall terms, we found the controls in this area to be adequate and to be operating effectively. However, we wish to draw Members' attention to the following matters:

(a) Bank reconciliations

At our interim visit, we noted that, whilst the bank balances were reported to the Council on a regular basis, no formal bank reconciliations had been produced using the Scribe software since the start of the 2017-18 financial year. We recommended that the Town Clerk, as RFO, should complete bank reconciliations on a monthly basis and that, at least once in each quarter and at the financial year end, a Member other than the Chairman (or a cheque signatory) should independently verify the bank reconciliations, as required by the Financial Regulations (FR 2.2). At our final audit visit, we confirmed that the monthly reconciliations were now being undertaken and there was evidence of Member verification. However, the

end of year bank reconciliation had still to be independently verified and reported to the Council.

R1 Prior to submission of the AGAR and supporting documents to the external auditors, it will be important to ensure that the end of year bank reconciliation has been independently verified by a Member and formally reported to the Council.

(b) Unpresented cheque from the prior year

At our interim visit, we noted that a cheque for £25 (for window cleaning) had been outstanding since January 2017. We recommended that the reason for the non-presentation of the cheque should be investigated and appropriate action taken. In reviewing the end of year bank reconciliation, we confirmed that this matter had not yet been addressed.

R2 As previously recommended, the reason for the non-presentation of the cheque dating back to January 2017 should be investigated. The cheque should be written back into the accounts and, if appropriate, a new cheque should be issued.

Corporate Governance

Our objective is to confirm that the Council has robust corporate governance arrangements in place; that, as far as we may reasonably be expected to ascertain (as we do not attend Council meetings), all Council meetings have been 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.

During the course of our audit, we have confirmed the following:

- Our review of the Council's minutes for the year has not identified any issues that we consider may have an adverse effect, through litigation or other causes, on the Council's future financial stability.
- Both the Financial Regulations and Standing Orders were reviewed during 2016-17, to ensure they remained in line with national guidance issued by NALC. The Financial Regulations were considered again at the meeting on 9th January 2018, but it was decided not to make any changes until after the new Finance Committee was up and running. The Standing Orders are next due to be reviewed in 2019.
- Following the May 2015 election, the Council formally resolved to adopt and use the General Power of Competence and this will remain in force until the next election.
- As noted last year, detailed financial procedures have now been put in place in a number of areas (e.g. the Cemetery and Allotments).

Conclusion and recommendations

On the basis of our review, we consider that the Council has adopted a sound approach to its responsibilities in relation to corporate governance. However, we wish to draw Members' attention to the following matters:

(a) Consideration of key policies and procedures

In our 2017-18 interim report and our 2016-17 audit reports, we highlighted the benefits to

the Council of agreeing an annual timetable for formal consideration of its various key policies and procedures, and other required actions – a practice followed by a number of other councils of a similar size. Such an approach would minimise the risk of failure to comply with regulatory or legislative requirements – e.g. the failure to review the risk management arrangements during 2016-17, which resulted in an external audit qualification. Whilst the Town Clerk has developed her own action plan, this has still not been formally agreed with Members and does not specify either the frequency of review required or responsibilities.

R3 *As recommended in our interim report and previously, in line with good practice, the Council should consider the development of a timetable for the review of its various policies/ procedures, and key actions, to help to ensure that these are undertaken on a timely basis. The timetable should also confirm which actions need to be addressed by the full Council and what matters can be delegated to a committee or officers.*

(b) Financial procedures

As noted above, a number of detailed financial procedures have been put in place to underpin the Council's Financial Regulations. However, at present, there are no documented procedures in relation to the use of the Scribe software.

R4 *As recommended in our interim report, financial procedures should be put in place regarding the use of the Scribe software for accounting and budgeting purposes.*

(c) Reporting the minutes of committee meetings

From our review of the minutes we noted that, whilst matters arising from the Finance and HR committees that require ratification are formally reported to the Council, it is not currently the practice to include the minutes of the committee meetings on the Council agendas. We also noted that committee minutes are not reported on the website.

R5 *In accordance with the Council's standing orders (Section 5) and with best practice, the minutes of each committee meeting should be reported to the Council and formally noted as "received", prior to the consideration of any recommendations made by the committee that require Council ratification.*

R6 *With the exception of any confidential items, the minutes of formal committee meetings should be reported on the website.*

Review of Expenditure & VAT

Our objective here is to confirm that:

- Council resources are released in accordance with approved procedures and budgets;
- payments are supported by 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;
- any discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;

- the correct expenditure analysis has been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have completed our review of the procedures in place in this area, selecting a sample of 52 non-pay related payments across the financial year to check compliance with the above criteria. Our test sample included all payments in excess of £1,500, together with a more random selection of every 30th payment as recorded in the Scribe cashbook. The total value of the payments in our sample was £124,816, which equates to 48% of total non-pay expenditure.

As noted previously, all payments are formally approved by the Council on a monthly basis, with a detailed schedule of 'Payments for Approval' (and details of receipts in the month) being provided to Members by the Town Clerk. In line with our recommendation from 2016-17, a procedure has been put in place to ensure that there is evidence of the review of invoices, with the cheque signatories now initialling attached certification labels.

We have confirmed that VAT returns were completed for the financial year and that these reconcile to the Scribe accounts. We understand that quarterly returns are to be completed, going forward. At the interim audit, the Town Clerk informed us that there were still some historic differences on the Scribe VAT control account which need to be corrected, but which do not impact on the accuracy of the VAT returns submitted. We understand that external support was provided to rectify this problem prior to the year-end closedown.

Conclusion and recommendation

On the basis of our audit review, we are satisfied that the arrangements in place for the authorisation of payments are sound, with appropriate supporting documentation present for all of the payments in our test sample, and that VAT returns agreed to the Scribe records and are being submitted on a timely basis.

The only matter arising from our audit work was that, in carrying out our sample testing of expenditure, we identified one payment where the VAT element (amounting to £300) had not been identified on Scribe or subsequently reclaimed from HMRC.

R7 The identified VAT underclaim of £300 should be included in the next VAT return to HMRC.

Assessment and Management of Risk

Our objective is to confirm 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.

In 2016-17 the Council did not formally review the adequacy of its risk management arrangements. It was necessary for us to draw attention to this failure in the internal audit report which forms part of the AGAR and it resulted in a qualification in the External Auditors' report for that year's accounts. As the risk management arrangements were subsequently reviewed at the Council meeting on 9th May 2017, there will be no such problem for 2017-18. However, it

will be important to ensure, going forward, that a formal review is undertaken in each financial year.

We have confirmed that the Council takes appropriate steps to meet its health and safety responsibilities regarding play areas. At the time of our interim visit, regular weekly health and safety checks of the play areas were being carried out by the Council's grounds maintenance contractors. The Deputy Clerk and the Town Operative have now completed the necessary health and safety training and taken over this role, with the results being reported to the Town Clerk. In addition to the regular weekly checks, annual health and safety reviews of the play areas are undertaken by Wickstead Leisure, the results of which are reported to the Council, together with any recommendations for remedial action required.

The Council's insurers are Zurich Municipal and an agreement is in place until 2019. The insurance cover includes employer's liability of £10m, Public Liability of £15m, Hirers Liability of £2m and fidelity cover of £250k. We consider that this level of cover is reasonable for the size of the Council and range of activities it undertakes.

Conclusion

There are no matters arising from our final audit visit that require a formal comment or recommendation.

Precept Determination and Budgetary Control

Our objective here is to confirm that the Council has robust procedures in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from Breckland Council, and also that an effective reporting and monitoring process is in place. We also aim to confirm that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

During 2017-18, Members were provided with regular reports from the Town Clerk detailing expenditure incurred and also reporting on the bank balances held. They were also provided with reports on performance against the 2017-18 budget.

We note that Members were actively involved in preparing the budget for 2018-19. A draft three year budget was prepared for consideration by the Council at its meeting on 10th October 2017 and a 'Finance Working Group' was subsequently set up to consider the 2018-19 budget requirements in detail and report back to the Council. After due consideration, the Council formally approved its precept requirement and the budget for 2018-19 at its meeting on 9th January 2018. The precept was set at £320,647, compared to £254,482 for 2017-18, which is an increase of 26%. The Council is also due to receive £4,539 by way of council tax support grant from Breckland Council, which is down from £9,078 in the current year.

From our discussions with the Town Clerk, we understand that the significant increase in the precept and budget is due to a range of factors, including the need to meet additional employment costs, following changes to the staffing structure and salary gradings, proposed roofing works required for Wayland Hall and a market project. In addition, the budget includes a number of contingency sums for other potential developments.

In our interim report we drew attention to a number of errors in the budget documentation, in particular that the 2017-18 figures did not accurately reflect the budget for the year and that, due to some proposed revisions to the cost centres for 2018-19 the budget does not currently link directly to the code structure on Scribe. From our review of the minutes and discussions with the Town Clerk at the final audit visit, we were pleased to confirm that these matters had been addressed.

At 31st March 2018, the Council's overall reserves amounted to £366k. Of this total, £208k has been set aside as earmarked reserves, under an umbrella heading of a "Community Asset Improvement Fund". The remaining "General Reserve" balance of £158k equates to 50% of the 2018-19 precept, which is in line with other Councils of a similar size.

From our review of the documentation provided in support of the 2018-19 budget proposals, we noted that consideration has been given to the level and nature of allocated earmarked reserves that are required and that it has been determined that during 2018-19, a significant proportion (£91,000) is to be released back to the General Reserve, with £41,000 from the General Reserve then being used to support the revenue budget. We understand that the overall reserve requirements will be reviewed on a regular basis, going forward.

Conclusion

There are no matters arising from the work undertaken during our final audit visit that require a formal comment or recommendation.

Review of Income

Our objective is to confirm that appropriate arrangements are in place to identify all income due to the Council, to arrange for its collection by way of invoicing or direct settlement and for its prompt banking. We also aim to ensure that fees and charges are levied in accordance with the Council's approved scales, where appropriate. The main sources of income for the Council, other than the precept and council tax support grant, are from the allotments, the market and cemetery related fees.

In the course of our audit work we have reviewed the key areas of income, as follows:

Allotments: We reviewed the 2017-18 allotment records held and the bank receipts, to confirm that the expected income had been received in the year for the allotments at both the Church Road and Thetford Road sites. There were no matters arising.

Market: We checked the income received against the list of market stallholders for a sample month (November 2017), to confirm completeness of income. There were no matters arising. We note that the majority of stallholders now pay by bank transfer, which has simplified the accounting arrangements.

Cemetery: We reviewed the burial forms received from funeral directors and requests for exclusive rights of burial for the whole of 2017-18, reconciling these to the burial and related records to confirm that the correct income had been received and banked.

Conclusion and recommendations

In general, the controls over income were found to be adequate and to be operating effectively. However, there are three matters that we would draw to Members' attention:

(a) Fees and charges for 2018-19

From our discussions with the Town Clerk, we understand that the fees and charges to apply for 2018-19 were taken into consideration as part of the budget setting process. However, there is no Council minute to confirm the decisions made.

R8 *In accordance with the Financial Regulations, the Council should formally ratify the fees and charges that are to apply for the 2018-19 financial year for its various income streams.*

(b) Cemetery income

In checking that the correct payments had been received and banked in relation to cemetery income, we identified a number of instances where there were differences between the details of fees recorded on the computerised "Register of Burials" spreadsheet and the income received as recorded in the Scribe accounting system. The majority of these differences were the result of the failure to update the computerised record for payments received in relation to Exclusive Rights of Burial. Similar errors had been identified during the course of our 2016-17 interim audit, but subsequently rectified.

R9 *It is important to ensure that the computerised Register of Burials is complete and accurate. The Register should be reconciled to the accounting system on a regular basis, to ensure that all payments received are correctly recorded. At present, the spreadsheet does not include a column for recording Exclusive Rights of Burial and we recommend that this is added, or recorded on a separate (linked) schedule. (We understand that consideration is currently being given to raising formal invoices to funeral directors. In our view this would also help to minimise the risk of error in the records.)*

(c) Historic Cemetery records

Under the Local Authorities Cemeteries Order 1977, the Council is required to maintain a register of burials and a record or register of graves, which can be either in the form of the traditional ledger, or held as a computer record. Whatever form the records take, they must be held in perpetuity. In 2015-16, we reported that, since taking office, the Town Clerk had been unable to locate a number of the historic cemetery records, which were believed to have been archived.

At our 2016-17 interim audit, we followed up on the progress being made towards retrieving the missing records from earlier years. We confirmed that the original Register of Burials and Register of Graves had been retrieved from the Norwich Records Office and were found to have not been updated since 2003 and 1996 respectively. The Town Clerk had ascertained that no alternative computerised registers were maintained until 1st January 2016, but considered that sufficient information was available (e.g. application forms and receipts) to enable the registers to be brought up to date.

In following up at our 2016-17 final visit, we confirmed that whilst some limited progress

had been made, the task was still likely to take some time to complete. During 2017-18, an Office Support Clerk was appointed to assist with the task and we noted that some progress has been made in identifying and mapping details of graves. However, at present, no progress has been made in updating the two registers.

In view of the legal imperative to maintain these records, we are carrying forward our recommendation from previous years. Whilst administrative support is now available to assist with the task, there needs to be a clear understanding of what steps need to be taken to create the required records.

R10 As previously reported, in accordance with its statutory obligation to maintain accurate registers of burials and of graves, the Council must ensure that the information for all of the years since the original registers were last updated is formally recorded. Whilst, as noted above, this could be done by producing computer records alone, we recommend, in line with the practice followed by other similar sized councils, that the traditional ledgers are also brought up to date and maintained – providing a cross reference to any computerised records and for ease of public access. Consideration should also be given as to whether the Cemetery Working Group should provide Member oversight of this project.

Review of Payroll

In examining the Council's payroll function, our objective is to confirm that extant employment legislation is being appropriately observed and that the requirements of HM Revenue and Customs (HMRC) as regards the deduction and payment over of income tax and NI contributions are complied with, together with meeting the requirements of the local government pension scheme.

To confirm compliance with the above criteria, we have:

- checked that the Council reviews and approves pay scales for staff on an annual basis*;
- confirmed that the Council has taken the necessary steps to comply with the Pensions Auto-enrolment regulations, with all staff having been given the opportunity to join the Local Authority Pension Scheme (Norfolk Pension Fund);
- reviewed the information produced by the external payroll provider (Arden Kendall) on behalf of the Council each month, confirming for a sample month (February 2018), that:
 - net salary payments made by the Council to staff (by standing order), agree to the extant salary/hourly rates payable and to the information provided and have been properly authorised;
 - appropriate PAYE/NI deductions have been made and that these amounts, together with employer's NI contributions are being paid over to HMRC on a timely basis, and
 - appropriate employee and employer pension contributions have been made and that these are being paid to the Norfolk Pension Fund on a timely basis.

*From our minutes review, we noted that during 2017-18, the Council took the decision to review its staffing structure and that, following consideration by the HR Committee, a new

structure and revised pay grades were approved at the Council meeting on 28th November 2017. We have reviewed the new contracts of employment and found these to be in order.

Conclusion

There are no matters arising from this area of our audit work that require a formal comment or recommendation.

Asset Register / Inventory

Councils are required to maintain an asset register and to report the overall value of fixed assets held in the AGAR each year (Section 2, Line 9). Whilst the “Practitioners’ Guide” does not specify a particular basis of accounting for fixed assets, it stresses that the approach taken from year to year should be consistent and that the value of individual assets held should not normally change from one year to another - with the only changes being the inclusion of new assets purchased or removal of assets disposed of. In most cases, assets are recorded at their purchase cost, or at a suitable proxy where that value is not known. However, assets gifted at nil cost or other assets held which have no intrinsic value (often referred to as community assets) are normally included at a nominal £1.

The asset register is maintained by the Town Clerk and is updated at the year-end. We have reviewed the asset register at our final audit visit and confirmed that the additions and disposals in the year have been correctly identified and accounted for, and that the value of £1,109,282 as at 31st March 2018 has been included correctly in the AGAR.

Conclusion

There are no matters arising from this area of our audit work that require a formal comment or recommendation.

Investments and Loans

As noted in the section on “accounting and banking arrangements” above, the Council does not hold any long-term investments, with all funds currently held in the Current Account or Business Premium (instant access savings) Account.

The Council has no loans in place, either repayable by, or to it.

Conclusion and recommendations

There are two matters that we wish to draw to Members’ attention.

(a) Investment strategy

At present, the Council does not have an investment strategy in place. In view of the overall funds held (in excess of £360k as at 31st March 2018) there is now a regulatory requirement for the Council to formally adopt an investment strategy. (Previously under the statutory guidance on local government investments issued by the Secretary of State this was only required for parish and town councils with short or long term investments of over £500k. However, with effect from 1st April 2018, the limit has been reduced to £100k).

R11 In accordance with the requirements of the latest statutory guidance on local government investments, the Council should develop and formally adopt an investment strategy. The strategy should set out, in particular, the criteria which the Council should consider when making investments (namely Security, Liquidity and Yield, in that order).

(b) Bank accounts

In our interim report and previously, we have drawn attention to the fact that the Council holds all of its funds in two bank accounts, a current account and an instant access savings account - the balances of which generate nil, or very minimal, interest. We have recommended that, in view of the significant sums held, the Council should consider whether a proportion of its funds should be held in longer-term accounts, such as fixed-term deposits with high street banks or building societies, where a higher rate of return can be achieved. No action has yet been taken with regard to this matter.

R12 As part of the development of an investment strategy, and as previously recommended, consideration should be given as to how best the Council's funds should be invested. For example, if funds are held that are not required in the immediate future (e.g. the next 12 months), it may be financially beneficial to move these to a longer term savings account (e.g. three months or more), or to a fixed period deposit or savings bond (e.g. one-year bond), rather than the current instant access savings account.

Statement of Accounts and AGAR

We have examined the detailed Income and Expenditure accounts prepared by the Town Clerk and the draft of the statutory Accounting Statements that the Council is required to complete as Section 2 of the AGAR. We have agreed the detail to the supporting accounting records and other related documentation.

Conclusions

No matters have arisen from this area of our review that require a formal comment or recommendation. We look forward to receiving a copy of the finalised Annual Return (Sections 1 and 2), once the document has been approved by the Council.

On the basis of the work undertaken during the course of our review for the year, we have completed and signed the 'Annual Internal Audit Report' in the AGAR, assigning positive assurances in all areas of internal control.

Recommendation	Response
Review of accounting and banking arrangements	
R1 Prior to submission of the AGAR and supporting documents to the external auditors, it will be important to ensure that the end of year bank reconciliation is independently verified by a Member and is formally reported to the Council.	
R2 As previously recommended, the reason for the non-presentation of the cheque dating back to January 2017 should be investigated. The cheque should be written back into the accounts and, if appropriate, a new cheque should be issued.	
Review of Corporate Governance	
R3 As recommended in our interim report and previously, in line with good practice, the Council should consider the development of a timetable for the review of its various policies/ procedures, and key actions, to help to ensure that these are undertaken on a timely basis. The timetable should also confirm which actions need to be addressed by the full Council and what matters can be delegated to a committee or officers.	
R4 As recommended in our interim report, financial procedures should be put in place regarding the use of the Scribe software for accounting and budgeting purposes.	
R5 In accordance with the Council's standing orders (Section 5) and with best practice, the minutes of each committee meeting should be reported to the Council and formally noted as "received", prior to the consideration of any recommendations made by the committee that require Council ratification.	
R6 With the exception of any confidential items, the minutes of formal committee meetings should be reported on the website.	
Expenditure	
R7 The identified VAT under-claim of £300 should be included in the next quarterly VAT	

Recommendation	Response
return to HMRC.	
Income	
R8 In accordance with the Financial Regulations, the Council should formally ratify the fees and charges that are to apply for the 2018-19 financial year for its various income streams.	
R9 It is important to ensure that the computerised Register of Burials is complete and accurate. The Register should be reconciled to the accounting system on a regular basis, to ensure that all payments received are correctly recorded. At present, the spreadsheet does not include a column for recording Exclusive Rights of Burial and we recommend that this is added, or recorded on a separate (linked) schedule. (We understand that consideration is currently being given to raising formal invoices to funeral directors. In our view this would also help to minimise the risk of error in the records.)	
R10 As previously reported, in accordance with its statutory obligation to maintain accurate registers of burials and of graves, the Council must ensure that the information for all of the years since the original registers were last updated is formally recorded. Whilst, as noted above, this could be done by producing computer records alone, we recommend, in line with the practice followed by other similar sized councils, that the traditional ledgers are also brought up to date and maintained – providing a cross reference to any computerised records and for ease of public access. Consideration should also be given as to whether the Cemetery Working Group should provide Member oversight of this project.	
Investments	
R11 In accordance with the requirements of the latest statutory guidance on local government investments, the Council should develop and formally adopt an investment strategy. The strategy should set out, in particular, the criteria which the Council should consider when making investments (namely Security, Liquidity and Yield, in that order).	

Recommendation	Response
<p>R12 As part of the development of an investment strategy, and as previously recommended, consideration should be given as to how best the Council's funds should be invested. For example, if funds are held that are not required in the immediate future (e.g. the next 12 months), it may be financially beneficial to move these to a longer term savings account (e.g. three months or more), or to a fixed period deposit or savings bond (e.g. one-year bond), rather than the current instant access savings account.</p>	
