



MORECAMBE TOWN COUNCIL

Internal Audit Report

Review of Financial and Internal Control Systems for the Financial
Year Ending 31st March 2019

Date Report Issued: 06 August 2020
Status: Final (Revised)

Prepared by Internal Audit Yorkshire

Internal Auditor: Ms Safia Kauser

Tel: 07553 960 125

Email: info@internalaudityorkshire.co.uk

Web: www.internalaudityorkshire.co.uk

This report must not be reproduced without the prior permission of Internal Audit Yorkshire ©

Contents

1. Background	2
Morecambe Town Council	2
Framework for Delivering Local Services	2
2. Statement of Responsibility	3
Confidentiality and Distribution	3
Sources of Information	3
3. Purpose of Internal Audit	4
4. Legal Framework	5-6
5. Scope of Assignment and Terms of Engagement	7
Approach and Methodology	7
6. Internal Control Objectives	8
7. Audit Conclusion and Statement of Assurance	9
Management Response	9-10
8. Assessment Summary of Control Objectives and Assurance Levels	11
9. Findings and Recommendations	12 - 56
10. Appendix A - Recommendations Action Plan	57 - 64
11. Appendix B - Internal Audit Definition of Assurance Levels	65
Priority Level Indicators [To Support the Category of Recommendations]	65
12. Appendix C - Review of Expenditure Transactions	66 - 83

1. Background

1.1 Morecambe Town Council

Morecambe Town Council was formed in May 2009 following a successful campaign.

Morecambe Town Council is the first tier of Local Government, made up of 26 elected members [elected every four years] representing 11 wards within the parish council boundary. The precept for 2018/2019 was £188,141.38. Lancaster City large represents the second tier of Local Government and Lancashire County Council represents the third and final tier of Local Government. Although town and parish Councils are apolitical, we understand that from the 26 elected members; there are several political groups represented on Morecambe Town Council.

1.2 Morecambe Town Council offices are based in Morecambe Town Hall. The town council provides a service to the public, including the provision of allotments [managed via the Allotments Association] in addition to representing the local community interests, commenting as a statutory consultee on local planning applications, providing financial support and assistance to local groups and organisations, alerting relevant authorities to problems that arise or work to be undertaken and having direct involvement and management of local town Council projects and joint partnership working ventures. The town council employs a full time Town Clerk and Responsible Financial Officer [RFO] and a part time Assistant Clerk.

1.3 The council had appointed seven committees in 2018/19. The responsibilities of each individual committee were reflected in the committee terms of reference that were reviewed and agreed by full Council on 17th May 2018.

1) Community Engagement and Grants
2) Community Safety
3) Complaints Committee
4) Festivals and Events
5) Finance and Management
6) Personnel Committee
7) Planning, Development and Environment

1.4 Framework for Delivering Local Services

Authorities in England operate within a legal framework which provides them with the necessary statutory powers and authority to deliver local public services. Authorities and their clerks/chief executives/RFOs should always be aware of, and have regard to, the legal power they are exercising when deciding on any action including to spend public money.

1.5 The proper practices for smaller authorities (Town and Parish Council's) are included in the Governance and Accountability for Smaller Authorities, A Practitioners Guide. Smaller authorities in England must complete an Annual Governance and Accountability Return [AGAR] which includes an Annual Governance Statement to the public. Internal audit report(s) should inform the authority's responses to assertions 2 and 6 in the Annual Governance Statement. The Annual Internal Audit Report forms part of the Annual Governance and Accountability Return. The AGAR must be submitted to the External Auditor within the statutory deadline of 30 June.

2. Statement of Responsibility

2.1 Responsibility

The internal audit work was undertaken in accordance with the agreed scope of assignment and in accordance with the letter of engagement. The council as a corporate body is responsible for ensuring that council business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. Managing the authority's internal controls is a day-to-day function of the authority's staff and management, and not the responsibility of internal audit.

2.2 Confidentiality and Distribution

This report has been solely prepared for Morecambe Town Council. Unless there is a legal regulatory requirement to do so, the work of Internal Audit Yorkshire is not to be made available to third parties without our written permission and Internal Audit Yorkshire will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

2.3 Sources of Information

This report and findings are based on the information that was made available during the course of the audit. The matters raised in the report should not be read as a comprehensive statement of all the weaknesses identified or all improvements to be made. Internal Audit work should not be relied upon to identify all circumstances of fraud and irregularity, should there be any. Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

3. Purpose of Internal Audit

- 3.1 Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 3.2 The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective. The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority.
- 3.3 The council determines the internal audit scope of work to be undertaken by the internal auditor. If no such programme of work is agreed, then the minimum reporting requirement for internal audit is met by completing the annual internal audit report within the Annual Governance and Accountability Return [AGAR]. Internal audit may also report in greater detail to the Council for example providing a written internal audit report.

4. Legal Framework

- 4.1 Local councils are subject to a range of statutory requirements and these include how they deal with money matters. The principal controls are included in “Accounts and Audit Regulations” which are issued by the Government from time to time. All Clerks and Finance Officers should make sure that they are familiar with the current version of these regulations, the Accounts and Audit Regulations 2015 (2015 SI No. 234), made in accordance with the Local Audit and Accountability Act 2014. The regulations make it clear that the council as a corporate body is responsible in law for ensuring that its financial management is adequate and effective and that it has a sound system of internal control.
- 4.2 Internal Audit is a statutory requirement in accordance with ‘The Accounts and Audit Regulations 2015; 5 (1) which state: ‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’ The Information in the Practitioners Guide is regarded as the ‘non-statutory’ guidance referred to in Regulation 5(1) of the above act.
- 4.3 The Public Sector Internal Auditing Standards [PSIAS] referred to in the above regulations, sets out the standards of professional practice of internal audit within the public sector across the United Kingdom. The PSIAS defines an ‘Engagement Opinion’ as *‘The rating, conclusion, and/or other description of results of an individual internal audit engagement, relating to those aspects within the objectives and scope of the engagement’*. The overall internal audit opinion is provided having regards to the PSIAS.
- 4.4 In accordance with section 151 of the Local Government Act 1972, all local authorities are required to appoint a Responsible Financial Officer [RFO] for the financial administration of the authority and to determine detailed accounting procedures. The Accounts and Audit Regulations stipulate that local Councils must comply with *proper practices* in relation to their accounting procedure. These proper practices are set out in Sections 1 and 2 of “Governance and Accountability for Smaller Authorities in England” (the “Practitioners’ Guide”) issued by the Joint Practitioners’ Advisory Board (JPAG) and published jointly by SLCC and NALC.
- 4.5 In accordance with Regulation 4 of the Accounts and Audit Regulations 2015, the authority needs to have satisfied itself that its Responsible Finance Officer [RFO] has discharged their duties and determined a system of financial controls. The principal way in which a council will discharge its financial responsibilities and give instructions to its finance officer is by means of its Financial Regulations.
- 4.6 In accordance with the Localism Act, s.31, a member may not participate or participate further in any discussion of a matter at a meeting, or participate in any vote, or further vote taken at the meeting, if he or she is present at the meeting and is aware that he or she has a disclosable pecuniary interest in the matter. These restrictions may be lifted if the member applies in writing to his or her council for a dispensation under s. 33 and the council grants that

dispensation. In accordance with the Localism Act s.34; A person who is guilty of an offence under this section (S.31) is liable on summary conviction to a fine.

4.7 In accordance with section 117 of the Local Government Act 1972, Local Government Officers are required to declare pecuniary interests whether direct or indirect (not being a contract to which he is himself a party), has been, or is proposed to be, entered into by the authority or any committee of the authority. Failure to declare a pecuniary interest can result on summary conviction to a fine.

5. Scope of Assignment and Terms of Engagement

- 5.1 We were approached by Morecambe Town Council in July 2020 who requested ‘that an internal audit review be carried out of its financial and internal control systems for the financial year ending 31st March 2019. The council seeks assurance as to the adequacy and effectiveness of the systems in place and the extent to which these complied with the Internal Control Objectives as set out in the Annual Governance and Accountability Return (AGAR)’.
- 5.2 In accordance with the letter of engagement we were appointed to carry out an internal audit review of the financial and internal control systems for the financial year ending 31st March 2019 as per internal control objectives set out in the Annual Governance and Accountability Return and to provide assurance to the Council on the adequacy and effectiveness of the systems in place. As part of our review, we agreed to undertake 100% expenditure testing of transactions from the Scribe Accounting system. It was agreed that the full internal audit review would be reported in a comprehensive written internal audit report and submitted to the Town Council.
- 5.3 As referenced above in section 3; although we were appointed to carry out an internal audit review of the 2018/19 financial year, our scope of assignment did not extend so far as completing the Annual Internal Audit Report that formed part of the Annual Governance and Accountability Return [AGAR] for the 2018/19 financial year as per statutory requirements. This was due to the fact that the Council had discharged their statutory responsibilities for the 2018/19 financial year and submitted the accounts and AGAR (inclusive of the annual internal audit report) to the external auditors who had subsequently discharged their statutory responsibilities and had issued a certificate of completion. The annual internal audit report had been completed by a third party who carried out two internal audit visits on the 29th November 2018 and 18th June 2019 and had subsequently signed the AGAR internal audit report.

5.4 Approach and Methodology

In accordance with the law and proper practices, we used our in-house internal audit checklist that tested each individual control area that underpinned the internal control objectives set out in the AGAR. The testing controls for each individual area assisted in our findings and recommendations. For each individual internal control area, we provided a level of assurance which reflected the adequacy and effectiveness of the internal control systems in place. These findings are summarised in section 8 of our report.

- 5.5 We gathered and reviewed documentary evidence from the council records that were provided during the course of our audit. These records included but were not limited to council minutes, policies and procedures, accounting records, supporting documentation and non-financial related documents. Management discussions took place with Mr Robert Bailey (Town Clerk/RFO) and the Chairman of the Council, Councillor Janice Hanson on Thursday 30th July 2020 to discuss the draft report and to obtain any further information that could assist with the audit findings. The final report was issued to the Town Council on 06 August 2020. The management response is referenced within section 7 of the report.

6. Internal Control Objectives

The internal control objectives cover a total of 13 control areas. 3 control areas were applicable to Morecambe Town Council. For the purposes of the report, we have included the control area but we have not provided an assurance level.

Internal Control Objectives [As set out in the AGAR]	
1)	Appropriate accounting records have been properly kept throughout the financial year.
2)	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
3)	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
4)	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
5)	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.
6)	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.
7)	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.
8)	Asset and investments registers were complete and accurate and properly maintained.
9)	Periodic and year-end bank account reconciliations were properly carried out.
10)	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.
11)	IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")
12)	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.
13)	For local Councils only) Trust funds (including charitable) - The Council met its responsibilities as a trustee.

- **Control objectives numbers 6, 11 and 13 are not applicable to Morecambe Town Council.**

7. Audit Conclusion and Statement of Assurance

- 7.1 Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk and accountability for public money. The council is responsible for conducting public business in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for.
- 7.2 There have been fundamental weaknesses of legal, procedural and governance failings that has exposed the council to error, omission, manipulation and risk of fraud due to inadequate internal controls that placed the system objectives at serious risk. As a result of the findings, our objective opinion is to provide the council with none assurance for the effectiveness of the financial and internal control systems that were in place for the financial year ending 31st March 2019. Our summary assessment for each individual control area as set out in the Annual Governance and Accountability Return (AGAR) is summarised in section 8 of the report.

Summary Assurance Level	NONE
-------------------------	------

- 7.3 We have made a total number of 49 recommendations for the council to consider (summarised in the table below).

Recommendation Priority Level Indicator & Risk Category		
(1) HIGH	(2) MEDIUM	(3) LOW
Fundamental weaknesses that represent a serious risk to the control systems and that require immediate attention.	The weaknesses identified are not of a fundamental nature but are significant as they represent a risk to the control system area assessed.	Suggested improvements to the level of existing controls in place that are not exposed to significant weaknesses.
37	11	1

7.4 Management Response from Morecambe Town Council

Morecambe Town Council is very grateful to Internal Audit Yorkshire for their comprehensive audit of the effectiveness of our internal control arrangements during the financial year 2018/2019. This audit review was requisitioned by the Town Council as a result of concerns of alleged maladministration that had been raised by Councillors and a promise that was subsequently made to our residents that a comprehensive audit would be undertaken. The Town Council fully accepts the findings, conclusions and recommendations made resulting from this audit review.

- 7.5 We note that a number of weaknesses identified from the audit review of the Council's operations during 2019/20, also carried out by Internal Audit Yorkshire, are similarly identified in the Council's operations in 2018/19. In May 2019, a new Council administration was elected following the local elections, including 12 Councillors being elected for the first time and a new Town Clerk appointed in late November 2019. The 2019/20 audit acknowledged that the Council had faced many challenges and that weaknesses in the Council's internal control systems and that improvement plans had been and were being implemented to move the

Council forward in a positive way. These have been supplemented by an Action Plan arising from the 2019/20 audit and further actions to include an independent Governance Health Check that will review how well the Council is functioning in relation to its governance and operational framework.

7.6 The Town Council will now determine what further actions need to be taken result of the 2018/19 audit and will incorporate these into its commitment to make significant improvements to the efficiency and effectiveness of the actives and operations under its control. Continuous progress on these improvements will be monitored and reported and reviewed by the independent Internal Auditor'.

** The management response was provided by the incumbent Town Clerk and RFO, Mr Robert Bailey and the Chairman of the Council, Councillor Janice Hanson, having agreed they represented Morecambe Town Council.*

8. Assessment Summary of Control Objectives and Assurance Levels

On the basis of the areas covered, each individual internal control was reviewed alongside the internal audit conclusions on whether, in all significant aspects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority.

No	Control Area	Internal Control Objectives [As set out in the AGAR]	Assurance
1)	Book Keeping	Appropriate accounting records have been properly kept throughout the financial year.	NONE
2)	Financial Regulations	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	NONE
3)	Risk Management	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	LIMITED
4)	Budget	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	NONE
5)	Income	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	NONE
6)	Petty Cash	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	See Notes
7)	Payroll	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	NONE
8)	Asset Management	Asset and investments registers were complete and accurate and properly maintained.	NONE
9)	Bank Reconciliations	Periodic and year-end bank account reconciliations were properly carried out.	NONE
10)	Accounting Statements & Year End Procedures	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	NONE
11)	Exempt Authorities	IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")	Not applicable
12)	Public Inspection Rights	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	REASONABLE
13)	Trustee Responsibilities	For local Councils only Trust funds (including charitable) - The Council met its responsibilities as a trustee.	Not applicable

- Control objectives 11 and 13 are not applicable to Morecambe Town Council.
- Advisory note recommended for control objective 6.

9. Findings and Recommendations

CONTROL AREA (1) OBJECTIVE:	Appropriate accounting records have been properly kept throughout the financial year.	
AIM:	To provide assurance that the books of account have been properly kept throughout the year and that data input controls are accurate.	
ASSURANCE LEVEL:	NONE	NONE

9.1 Book Keeping

9.2 The cash book is the main focus for the day-to-day accounting and balancing off and reconciliation to the bank statement, and remains the most important control over the accounting system. The Town Council uses a computerised accounting system Scribe. The Scribe system is a purpose-built data entry system for Town and Parish Councils and has the full capacity to input receipts and payments and assists in the preparation of the year end annual accounts.

9.3 We reviewed the accounting statements in the AGAR for 2017/18 to confirm if the closing balances of £123,708 at 31 March 2018 had been carried forward correctly to the 01 April 2018 for the 2018/19 financial year. The figure of £123,708 included a VAT Recoverable figure of £9,217.60. We carried out testing to verify the figure and against the documents extracted from the computerised accounting system which contained two cash books, one identified as the 'Transactions for Cash' account and the second identified as 'Transactions for HSBC Main'. On closer inspection we checked the opening balances that had been entered onto the system and recalculated the totals to verify that the correct opening balance of £123,708 had been recorded on the accounting system:

Cashbook 1	Transactions for 'Cash' cashbook - Opening Balance (A)	£474,720.36
Cashbook 2	Transactions for 'HSBC main' cashbook - Opening Balance (B)	(360,230.20)
	Total Opening Balances on the Scribe System:	£114,490.16
	Opening Balances (A) - (B)	
	VAT Recoverable	£9,217.60
	Total Opening Balance:	£123,707.76
	Closing Balance - AGAR, Section 2, Box 7 - 2017/18	
	Opening Balance - AGAR, Section 2, Box 1 - 2018/19	

9.4 The Council was operating with two bank accounts. From our findings relating to the use of the accounts we concluded that both accounts were being used to pay suppliers based on the value of the transactions, however we also found that frequent internet bank transfers were taking place to move money from the one account to the other.

- Bank Account 1: HSBC Money Market [Cashbook 1] 'Cash'
- Bank Account 2: HSBC Business Current [Cashbook 2] 'HSBC Main'

9.5 The opening balances on the Scribe Accounting System had not been entered correctly as they showed cash amounts of positive (£474,720.360) and negative (360,230.20) sums which did not accurately reflect the Council's financial position. This would have presented a difficulty in completing the monthly bank reconciliations for each bank account as the figures would not have been calculated to show the accurate cashbook balances against the bank statement. An up to date cash book with the opening balances is essential because the statements provided by the bank will not necessarily be a reliable record of the council's cash balances and therefore the council may have been required to refer to the cashbook instead.

9.6 The balances in the bank accounts at the 01 April 2018 showed a different set of figures that had not been brought in as the opening balances on the Scribe system in comparison to the cashbook sums of money set out in paragraph 9.3 above.

HSBC (Business Current)	Opening Bank Balance 01 April 2018	£13,310.05 (Statement 162)
HSBC (Money Market)	Opening Bank Balance 01 April 2018	£124,031.50 (Statement 73)
Figure Extracted from Council Records but not audited due to falling into the 2017/18 financial year	Less unrepresented cheques 31 March 2018 / Opening Balances 01 April 2018	-£22,851.39
	Total Cashbook Balances 31 March 2018 / 01 April 2018	£114,490.16

Recommendation 1: That the opening balances are entered into the cashbook to ensure it is up to date and records the Councils Opening Cash balances.

Priority Level 1: High

CONTROL AREA (2) OBJECTIVE:	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	
AIM:	To provide assurance that Standing Orders, Financial Regulations and Appropriate payment controls (payments supported by invoices, expenditure is approved, VAT is correctly accounted for) are in place and are followed.	
ASSURANCE LEVEL:	None	NONE

9.7 Standing Orders and Financial Regulations

- 9.8 Authorities are subject to a range of regulations, which can change more frequently than primary legislation. It is important, therefore, to be aware of new regulations that are issued as well as keeping up to date with the latest versions of existing ones. The first step in establishing a financial system is to identify the general rules applicable for the authority to carry out its business. These are set out in the authority's Standing Orders, Financial Regulations and other internal instructions.
- 9.9 A review of the minutes confirmed that the council initially adopted a set of Standing Orders on the 17th May 2018 (it was noted that the header of the minutes was incorrectly dated as 17th March 2018). The Standing Orders had initially been adopted on the 16th June 2011 and subsequently reviewed on an annual basis for re-adoption.
- 9.10 The Financial Regulations were initially adopted by the Council in June 2011 followed by annual reviews. The latest review was carried out at the Annual Meeting of the Council held on 17th May 2018. The current Financial Regulations are out of date for example they refer to the Audit Commission Act 1998 which no longer exists and has been abolished. Financial Regulation 6.1 states 'All payments shall be effected by cheque, debit card or by BACS on the Council's bankers'. There are currently no detailed arrangements in place for setting up a bacs payment as defined within the new updated Financial Regulations.
- 9.11 Although the Standing Orders and Financial Regulations were reviewed on an annual basis, we noted that the review was not based on the latest model documents issued by the National Association of Local Councils [NALC]. The latest model documents of the Standing Orders and Financial Regulations were issued by NALC in July 2018. It is important that the council adopts the latest model documents as they include the latest changes in legislation.

Recommendation 2: That the council considers membership to the local county association which would enable membership access to the National Association of Local Councils for advice, support and model documents. The full details of membership benefits can be obtained from the county association.

Priority Level 2: Medium

Recommendation 3: That the Standing Orders and Financial Regulations are reviewed to ensure that they are up to date in accordance with the latest National Association of Local Council [NALC] model documents and tailored to the Council as required.

Priority Level 3: High

9.12 Payment Controls and Expenditure Testing

9.13 The payments process should always be carried out in accordance with the authority's Financial Regulations. We carried out some sample testing to review the payment controls in place and to ensure compliance with the councils Financial Regulations. In summary, the Financial Regulations do not define any delegations to officers or committees to incur expenditure with the exception of Financial Regulation 3.4 which refers to a maximum expenditure delegation of £500 to the Clerk for repair, replacement or other work of an extreme urgency.

9.14 Although the committee terms of reference include delegation, the delegation does not extend so far as to include any financial responsibility or specific delegated budgets. Therefore, the council is responsible for authorising the expenditure in advance of the council entering into a financial commitment, followed by an official order, letter or contract issued to the contractor (FR 10). Payments on account via a direct debit arrangement can be made in compliance with FR 6.5 and reported to council in addition to salary payments made in accordance with the employment contracts. In accordance with FR 6, the RFO is required to prepare a schedule of payments coded to the relevant budget headings and present to the Finance and Management committee for approval who are required to make a recommendation to the Full Town Council for ratification before payments are released to the supplier/payee.

9.15 Our payments testing included a review of the cashbook transactions and the information presented to committee/council. Our attention was drawn to three payment areas that we agreed to test as part of our audit work:

- 1) Payments from Morecambe Town Council to Morecambe BID CIC
- 2) Payments made from Morecambe Town Council to Morecambe in Bloom / Morecambe Bloomers Project (including payments made to Lancaster City Council) via the Town Councils bank accounts
- 3) Payments made from Morecambe Town Council relating to the Community Garden Fund project

In addition to these three areas, we have tested the payment controls on all expenditure transactions which are included as an annex to the report in Appendix C that sets out the compliance criteria and methodology.

9.16 Payments to Morecambe BID CIC

We identified five expenditure transactions made to Morecambe BID CIC and coded to several budget headings.

Ref	Payee	Details	Amount	Budget
26	Morecambe BID CIC	Festival Advertising - Morecambe BID - Contribution to Town Leaflet printing	£2,000	Festivals (publicity funding)
45	Morecambe BID CIC	Poppies	£45.00	Morecambe in Bloom
142	Morecambe BID CIC	Christmas Lighting	£6,000 + VAT	Christmas Lights
230	Morecambe BID CIC	Festival Advertising Morecambe BID £2,000 Printing contribution	£2,000	Festivals

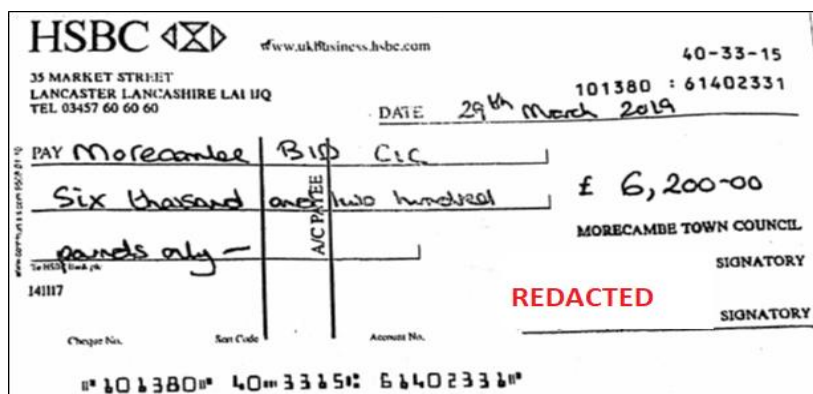
232	Morecambe BID CIC	Planters for MIB - Planters contribution	£3,500 + VAT	Community Garden Fund
Net Total Amount:			£13,545	

9.17 We understand that the council did not have any formal agreements in place with Morecambe BID. From the audit of the Morecambe BID payments, we found:

- 1) All five transactions did not comply with the councils Financial Regulations.
- 2) All five transactions did not have an authorisation resolution detailed in the council minutes or a purchase order or contract on file that enabled the RFO to enter into a contract with the supplier, in this case, Morecambe BID, on behalf of the Council.
- 3) We found that three of the five transactions had been retrospectively approved by council having being reviewed firstly by the Finance and Management committee before recommended for full council approval.
- 4) We found two payments (trans 230, 232) that did not have any council authorisation, purchase order or contract on file or retrospective council approval. This included one cheque for the sum of £6,200.
- 5) We did find a void cheque (cheque number 101373) dated 29 March 2019 for the sum of £6,900 made payable to Morecambe BID CIC which appears to have been signed by two different signatories in comparison to cheque 101380.



- 6) The cheque was reissued, cheque number 101380 and subsequently signed off by two other signatories.



- 7) The invoice from Morecambe BID CIC was not supported by a third-party supplier invoice, receipt or documentation to evidence where the supply of planters had originated from, the original cost of supply or the percentage of contribution from the Town Council towards the total costs.

- 8) Correspondence was exchanged between Morecambe Town Council and Morecambe BID regarding the unauthorised payment of the planters from the 22 March 2018 to 26 March 2018, the same time period the cheque was issued and despatched.

Names of individual parties have been redacted due to the sensitivity of the subject matter	
From:	REDACTED - Morecambe Town Council
Date Sent:	Fri, 22 Mar 2019 at 16:47
To:	REDACTED
Details:	
Hi REDACTED	
PARAGRAPH REDACTED – COMMERCIAL SENSITIVE CONTENT	
Re planters – did you get my email yesterday – what would you like me to do to help make this happened now? As it is yearend next week – do you want me to pay you our contribution now? If so please could you invoice me? I have up to £3,500 we could contribute.	
Finally is BID doing a promotional leaflet including events this year? We contributed £2,000 last June – I have funds left in this year's Festivals promotional budget if that would help but would need an invoice next week?	
Thanks and have a good weekend.	
Best wishes	
REDACTED	
From:	REDACTED - Morecambe BID
Date Sent:	26 March 2019 09:23
To:	REDACTED – Morecambe Town Council
Subject:	Re: Dome Toilets and Planters
Details:	
Hi REDACTED,	
I think REDACTED has ordered the planters and such. Was MTC's total contribution £3,500? Just so I know. Will you be sending out letters as I guess we will need to discuss subtle wording? Also, we need to set a date and see how many bods we have. We can call for volunteers. I am sure I can get refreshments provided by REDACTED etc.	
Best regards,	
REDACTED	
From:	REDACTED – Morecambe Town Council
Date Sent:	26 March 2019 12:18
To:	REDACTED – Morecambe BID
Subject:	RE: Planters
Details:	
Hi REDACTED	
Yes we can contribute £3,500. Please could you invoice us for this before end of month – as I am taking funds from this year's budget.	
I will draft a letter for your to have a look at. Re date – please set what suits BID and we can work with you to promote etc..	
Thanks	
Kind regards	
REDACTED	

- 9) The cheque (101380) had cleared from the Council's bank accounts on the 30 April 2019.

Recommendation 4: Reference to the Morecambe BID CIC payments: The council should consider:

- 1) The recovery of Council funds for unauthorised/overpayment made to Morecambe BID CIC if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised/overpayment sum of money.
- 2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised/overpayment should be pursued by any means available.
- 3) Updating the Financial Regulations for signatories: A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

In the event where the Council is unable to address part 1 and 2 above, then consideration should be given to approval of the payments retrospectively subject to a business case and full Council approval.

Priority Level 1: High

9.18 Payments to Morecambe in Bloom / Morecambe Bloomers Project

Although Morecambe in Bloom is a third-party organisation that receives no grant funding from Morecambe Town Council, we did note that the Town Council had allocated a budget £1,500 for the 2018/19 financial year for 'Morecambe in Bloom' however it is unclear if the money was being held on behalf of the third party. We have been informed that the organisation is made up of members serving on the Town Council and the Town Council provides some support towards Morecambe in Bloom for example, taking direct responsibility for the awards ceremony however we could not find any reference in council minutes or any formal agreements on file that confirm the Town Council's responsibility or financial contributions towards Morecambe in Bloom. We identified several payments made on and behalf of Morecambe in Bloom that may not have represented council related expenditure. The VAT implications to third parties are covered in section 9.55.

Ref	Payee	Details	Amount	Budget
2	Mark McKenna	Morecambe In Bloom Presentation	£50.00	Morecambe in Bloom
14	Larch Cottage Nurseries	Purchase of Plant for Morecambe in Bloom project	£202.72 + VAT	Poulton
19	13 The Warehouse	Purchase of poppies	£9.00	Morecambe in Bloom
45	Morecambe BID CIC	Poppies	£45.00	Morecambe in Bloom
47	Morecambe FC	Deposit for MIB Presentation Evening 2018	£208.33 + VAT	Morecambe in Bloom
52	Travis Perkins	Wood for Library Planters	£342.58 + VAT	Morecambe in Bloom

54	Screwfix	Fixtures for planters at Library	£63.69 + VAT	Morecambe in Bloom
59	Travis Perkins	Library Planters	£124.88 + VAT	Morecambe in Bloom
76	Petalos	Morecambe In Bloom Presentation Evening (Morecambe Bloomers Projects)	£14.00	Station Grant
83	Lancaster City Council	Room Hire and Refreshments	£56.00 + VAT	Morecambe in Bloom
84	Morecambe Hotel	Morecambe in Bloom NWIB Judging	£81.30 + VAT	Morecambe in Bloom
88	Paul Cocker	Morecambe in Bloom Judging	£40.00	Morecambe in Bloom
92	Morecambe FC	Morecambe in Bloom Presentation	£1,062.42 + vat	Morecambe in Bloom
94	Mark McKenna	Morecambe in Bloom Presentation	£150.00	Morecambe in Bloom
96	North West In Bloom	North West in Bloom Tickets x5	£135.00	Morecambe in Bloom
100	Classic Engravings	Morecambe in Bloom Presentation	£154.17 + VAT	Morecambe in Bloom
101	Beststickers	Morecambe in Bloom Schools	£11.40 + VAT	Morecambe in Bloom
109	Rymans	Card - MIB	£15.82 + VAT	Morecambe in Bloom
112	Home Bargains	Bulbs for Schools MIB	£4.15 + VAT	Morecambe in Bloom
113	West End Discounts	Tubs for Schools MIB	£26.92	Morecambe in Bloom
114	Home Bargains	Compost and Bulbs - Schools MIB	£10.37 + VAT	Morecambe in Bloom
115	Homebase	Bulbs for Schools MIB	£19.75	Morecambe in Bloom
175	Bee Bombs Ltd	Bee Bombs	£174.59	Morecambe in Bloom
177	North West in Bloom	North West in Bloom entry 2019	£200.00	Morecambe in Bloom
178	Lancaster City Council	Morecambe in Bloom Judging - summer baskets, commemorative beds, MIB awards plant hire, gift vouchers	£1,498.33 + VAT	Morecambe in Bloom
190	Bee Bombs Ltd	Bee Bombs	£174.59	Morecambe in Bloom
205	Glasdon UK	Planting Boxes – Morecambe Bloomers project?	£308.10 + VAT	Station Grant
228	WUK Media	Morecambe in Bloom Entry Forms on website	£200.00 + VAT	Morecambe in Bloom
TOTALS (NET) (EXCLUDING REF 45 - accounted as BID payment)			£5,338.21	

9.19 The payments in the table above were extracted from appendix C that included financial information relating to Morecambe in Bloom. We found that:

- All the transactions we reviewed did not comply with the councils Financial Regulations. There was no authorisation resolution detailed in the council minutes or a purchase order or contract that enabled the RFO to enter into a contract with the supplier, on behalf of a third-party Morecambe in Bloom via the Town Council.

Recommendation 5: Reference to Morecambe in Bloom: The Council should consider:

1) Only making payments in respect of goods and services that it has received or when grant funding or sponsoring other organisations or as a contribution to a jointly funded project. It should not make payments on behalf of other organisations. A full review of all transactions should be undertaken to identify council related expenditure.

2) The arrangements in place for jointly partnership funded projects. Any agreements must be reflected in a contract or partnership agreement drawn up between the two organisations and responsibility must be allocated with council or committee for overseeing the delivery of the joint project or alternatively the organisation may wish to apply for grant funding.

3) Making arrangements for transferring non-Council funds to the accountable body. The Financial Regulations should be updated to reflect that the Council's bank account must not hold funds on behalf of any other individual or organisation except where the Council is the nominated accountable body for a joint committee of local Councils. Further information is set out within the Practitioners Guide.

Priority Level 1: High

9.20 Payments relating to the Community Garden Project

The Town Council had allocated a budget of £7,000 for the 'Community Garden' project. It is unclear if this was a joint partnership project with Morecambe in Bloom and Morecambe BID. We found no partnership agreements on file or minute references that confirm the total cost of the project or partnership agreements (if any) that existed.

9.21 We audited the transactions relating to the community garden project to verify if the payments had complied with the Financial Regulations. The expenditure transactions have been extracted from the data set out in appendix C of the report.

Ref	Payee	Details	Amount	Budget
67	Screwfix - R Dennison	Plants and fixings for library project	£14.32 + VAT	Community Garden Fund
68	Poppyscatter	Silent soldiers	£300.00	Community Garden Fund
185	Lancaster City Council	Commemorative Flower Beds	£3,755.00 + VAT	Community Garden Fund
213	More Music	Contribution to Community Garden Scheme	£500.00	Community Garden Fund
232	Morecambe BID CIC	Planters for MIB - Planters contribution £3,500 + VAT	£3,500.00 + VAT	Community Garden Fund
TOTALS (NET)			£8,069.32	

9.22 A total of £8,069.32 (net) of expenditure was incurred from the community garden project.

From the audit of the 'Community Garden Fund' we found that:

- 1) All five transactions did not comply with the councils Financial Regulations.
- 2) All five transactions did not have an authorisation resolution detailed in the council minutes or a purchase order or contract that enabled the RFO to enter into a contract with the suppliers.

- 3) We found that three of the five transactions (trans 67,68, 185) had been retrospectively approved by council having being reviewed firstly by the Finance and Management committee before recommended for full Council approval.
- 4) We found two payments that did not have any council authorisation, purchase order or contract on file or retrospective council approval, transaction numbers 213 and 232 (232 is referenced as part of the Morecambe BID unauthorised planters' transaction).

9.23 Further investigations of the payments schedule identified that two different budget headings were used to code expenditure relating to the 'planters library project'. Several payments had been coded to the 'Morecambe in Bloom' budget and one transaction that had been coded to the community garden budget that related to the 'planters library project' (transaction 67).

Recommendation 6: Reference to the Community Garden budget payments: The Council should consider:

1) The recovery of Council funds for the unauthorised payment of £500 made to the organisation 'More Music' if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised sum of money.

2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised payment should be pursued by any means available.

In the event where the Council is unable to implement part 1 and 2 above, then consideration should be given to approval of the payment retrospectively subject to full Council approval and a business case.

Priority Level 1: High

9.24 Contracts Timetable

We noted that the council does not have a contracts timetable that lists all the long-term contracts the council has in place. A contracts timetable should essentially list the details of the contracts including the commencement date and expiry date. A contracts timetable is particularly useful as it identifies all the long-term financial commitments for the Town Council and it can be used as a tool to assist with procurement purposes when it is time for the council or committee to review the contract.

9.25 From a review of the financial transactions we identified frequent payments made payable to several suppliers. Further investigations were carried out to identify if any contracts or agreements could be located. The summary of our results is set out below:

1) Lancaster City Council	Town Council office rent (unsigned contract on file)
2) Grenkeleasing	Lease of office photocopier (no contract on file or min ref)
3) MB Digital	Photocopying charges (no contract on file or min ref)
4) Talk Talk	Telephone charges (no contract on file or min ref)

Recommendation 7: The Council should consider introducing a contracts procurement timetable for all contract's values exceeding £1,000. The timetable should include sufficient detail to identify the start and end date of the contract; the contract value and details of the contract.

Priority Level 2: Medium

9.26 Contracts Value

The Financial Regulations require the Council to obtain three tenders for works between the value of £1,000 to £5,000. We identified payments that had not followed the Financial Regulations in terms of obtaining the best value for money. It is unclear if these are one off payments or if the council are routinely using the same supplier on an annual basis, for example for the production of the newsletter. A sample of these payments are summarised:

1) Speeder Limited (trans 95)	Toilet Door Access System	£3,335.00 + VAT
2) Bucket & Spade Marketing	X4 editions - TC newsletter	£3,200 + VAT

Recommendation 8: The Council should routinely obtain quotations for goods and services that exceed the threshold identified in the Financial Regulations which should be applied consistently at all times.

Priority Level 2: Medium

9.27 Meeting room hire and refreshments - Lancaster City Council

We picked up several expenditure entries for meeting room hire and refreshments payable to Lancaster City Council. We could not find any agreements or authorisation on file that enabled the Clerk/RFO to book the rooms and refreshments at the cost of the Council. The expenditure entries relating to this area are incorporated within appendix C.

Recommendation 9: The Council should consider introducing clear procedures in place to enable the Clerk/RFO to book a meeting room and refreshments that have a cost implication.

Priority Level 2: Medium

9.28 Service Level Agreement - Environmental Officer

We are informed that the council has a service level agreement in place with Lancaster City Council to provide funding for the Environmental Enforcement Officer (previously known as the Dog Enforcement Officer). These arrangements have been reviewed recently by the incumbent Clerk/RFO and Cllr Cary Matthews. We did note that the Town Council did pay some costs towards the uniform.

Recommendation 10: The Council should formally authorise any additional costs or changes in the service level agreement for the Environmental Officer in advance of the expenditure being incurred.

Priority Level 3: Low

9.29 Insufficient Minute Detail

We reviewed the council minutes to extract any council minute authorisations for incurring expenditure. Although we found some council authorisations, we found that the minute detail contained insufficient detail of the expenditure authorised or if the payments were lawful and represented best value for money.

Recommendation 11: The minute details and resolutions should clearly identify the cost of the expenditure incurred, the reasoning behind the expenditure and details of any quotes or tenders that were considered as part of the procurement process and in compliance with the Financial Regulations.

Priority Level 1:	High	
--------------------------	-------------	--

9.30 Inadequate Audit Trails

Each invoice was attached with an A4 front cover sheet which required completion for audit purposes. The details that required completion were:

- 1) Cheque number; voucher number; date; payee
- 2) Council decision authorising payment
- 3) Budget Head
- 4) Gross; VAT; Net
- 5) Date VAT claimed back; VAT number

9.31 We found that the majority of the reference fields that required completion on the front cover sheet attached to the invoices were left incomplete. Where we found the council authorisation field complete for several payments, it referred to a council budget. A council budget does not give authority for the Clerk/RFO to incur expenditure as it is a budget that identifies funds that are available for that purpose and any proposed expenditure must comply with the councils Financial Regulations.

Recommendation 12: That all invoices indicate the authorisation minute reference or Financial Regulation reference that authorises the payment. That all invoices are accompanied by a purchase order [where applicable] or reference to a purchase order number, contract or Financial Regulation reference where payment is made on account or via a direct debit arrangement.

Recommendation 13: That the Council sets up a purchase order system and implements this into their financial practices as required in accordance with the Financial Regulations.

Recommendation 14: That an accounts audit stamp is used for all invoices to record details of the Certifying Officer, Authorisation Reference, PO Number, Cost Centre/Code, Date Paid, Cheque Number/Transaction Type.

Priority Level 1:	High	
--------------------------	-------------	--

9.32 Schedule of Payments

The preparation of a schedule of payments is summarised in section 9.14 above. The payments had been divided in different sections for each area of expenditure. We found that the schedule of payments had been prepared to a standard where it was difficult to identify any errors, void cheques or transaction types. The schedule did not include any columns that could

confirm what authorisation had been given for each individual transaction or the power the council was relying on to incur that expenditure.

9.33 The schedules presented to the Finance and Management committee had been unsigned and the payments had not been recorded in the council minutes. The committee is discharged with the responsibility to recommend payments for approval to full council prior to the payments being despatched by the RFO. The schedules presented to full council were not included as an appendix to the minutes and the authorised payments were not recorded in the council minutes or the totals of the expenditure approved for payment. This would make it extremely difficult for the council to monitor recommended and approved expenditure.

9.34 We identified some payments that had been missed off the payments schedule for approval. Some of these payments included:

5	101279	Community Information Service	Festivals Advertising (1/d page advert space in BID Lancaster	£395.00	£79.00	£474.00
46	101296	Global Radio	Morecambe Bonfire Festival Grant	£1,500.00	£300.00	£1,800.00

9.35 The controls the council had in place for the preparation of schedules of payments, recommendations and approval is significantly weak which has left the systems exposed to error, omission and manipulation. Having reviewed the minutes, we found that on almost all occasions the schedule of payments had been left unchallenged.

Recommendation 15: The schedule of payments presented to the Finance and Management committee should contain sufficient detail and the totals that are recommended for approval and payment by full Council. The recommended schedule should be authorised by resolution for recommendation detailing the total of the payments recommended for approval. The recommended payments schedule should be signed and attached to the minutes.

Recommendation 16: The schedule of payments presented to Council (via a recommendation by the Finance and Management committee) should be authorised by resolution and the payments schedule should be initialled or signed by the Chair and the total recorded in the minutes. The signed schedule should be attached to the signed minutes on approval.

Recommendation 17: Cheques should only be signed by Councillors which are fully completed with payee and authorisation details accompanied by the original invoices and purchase orders. The file of invoices should be agreed to the delivery notes/Council budget by the RFO. Councillors should only sign cheques at a Council meeting once the payments have been approved and all invoices should be initialled.

Priority Level 1: High

9.36 Void Cheques

As it was difficult to monitor the cheque numbers due to the way the payments schedule had been presented; we found that many void cheques had not been reported as part of the payments schedule.

Recommendation 18: Void cheques should form part of the schedule of payments and be routinely reported to Council and committee for audit purposes.

Priority Level 1: High

9.37 Retrospective Payments

We found a large amount of payments that had been retrospectively approved by council for payments that had not been authorised in advance or in compliance with the Financial Regulations. Approving expenditure retrospectively weakens the Council's position to act if the expenditure is inappropriate, unlawful or does not represent best value for money.

9.38 Unauthorised / Unlawful payments

We reviewed the dates the payments schedules were recommended for approval by the Finance and Management committee and the dates the full council approved the retrospective payments schedule. The details are summarised in the table of the dates the payments schedules were approved by full council:

Min Ref	Schedule Reference	Date Payments Schedule Approved by full Council
12 (a)	1st March to 30th April 2018	17th May 2018
32 (a)	1st May to 26th June 2018	19th July 2018
43 (a)	27th June to 31st August 2018	20th September 2018
59 (1)	01 September to 30 October 2018	15th November 2018
67 (1)	01 November to 31 December 2018	17th January 2019
76 (1)	01 January to 28th February 2019	21st March 2019
Nil	No ref of March 2019 schedule	16th May 2019
21	Approval of the accounts for 2018/19 only	06th June 2019
33	01 April 2019 to 26 June 2019	11th July 2019

9.39 We noted that the payments schedule for March 2019 was not presented to the Finance and Management committee for review or to full council for approval although there was an opportunity on the 06 June 2019 and on 11th July 2019 where full council approved the year end accounts and the payments schedule from 01 April 2019 to 26 June 2019.

9.40 We have included the details of all payments made in March 2019 for narrative purposes.

Unauthorised March 2019 Payments								
Ref	Date	Trans Type	Payee	Description	Net	VAT	Total	Budget
195	04/03/2019	Visa	Speeder Limited	Toilet Door Access System	£3,335	£667.00	£4,002.00	Toilets Management
196	06/03/2019	DD	Talk Talk Business	Telephone Bill	£23.45	£4.69	£28.14	Telephone
197	08/03/2019	Visa	Zest Publications	Festival Advertising - Local Choice	£500	£100.00	£600.00	Festivals
198	08/03/2019	Visa	Morrisons	Plaster for First Aid Box	£1.00	£0.00	£1.00	Postage, Printing, Stationary

199	11/03/2019	101359	Wise Ups Workshop	Community Grant - Wise Up Workshops	£500	£0.00	£500.00	Community Grants
200	11/03/2019	101360	More Music	Room Hire - Public Meeting	£25.00	£0.00	£25.00	Hire of Rooms (Meetings)
201	11/03/2019	101361	Lancaster City Council	Vintage Festival Grant 2018	£16,000	£0.00	£16,000.00	Festivals
202	11/03/2019	101362	Friends of Westgate School	Deprivation Grant	£81.18	£0.00	£81.18	Deprivation Support
203	11/03/2019	101363	Bucket and Spade Marketing	Festivals Advertising - Things to do in Morecambe	£400.00	£80.00	£480.00	Festivals
204	11/03/2019	Visa	Lancaster City Council	Office Rent	£962.50	£0.00	£962.50	Town Council Office Rent
205	13/03/2019	Visa	Glasdon UK	Planting Boxes	£308.10	£61.62	£369.72	Station Grant
206	14/03/2019	101364	Uniform and Leisureware Co	Environmental Enforcement Officer Uniform	£34.00	£6.80	£40.80	Postage, Printing, Stationary
207	14/03/2019	101365	A1 Short Course Training	First Aid Training	£79.98	£0.00	£79.98	Training
208	15/03/2019	101366	Lancaster City Council	CCTV Contribution	£5,000	£0.00	£5,000.00	CCTV
209	19/03/2019	DD	Lancashire County Pension Fund	Pension Contributions	£581.56	£0.00	£581.56	Salaries
210	21/03/2019	SO	Morecambe TC	Salaries	£3,113.55	£0.00	£3,113.55	Salaries
211	21/03/2019	101368	Tony Hayes Planning Limited	Neighbourhood Planning	£1,360	£272.00	£1,632.00	Neighbourhood Plan
212	21/03/2019	101367	More Music	Room Hire - Public Meeting re litter and dog fouling	£25.00	£0.00	£25.00	Hire of Rooms (Meetings)
213	21/03/2019	101367	More Music	Contribution to Community Garden Scheme	£500.00	£0.00	£500.00	Community Garden Fund
214	21/03/2019	Bank Debit	HSBC	Bank Charges	£7.10	£0.00	£7.10	Bank Charges
215	21/03/2019	Visa	Lancaster City Council	Toilet Repairs	£65.69	£13.14	£78.83	Toilets Management
216	21/03/2019	101369	Danfo UK Ltd	Toilet Cleaning	£3,300	£660.00	£3,960.00	Toilets Management
217	21/03/2019	101370	Bryan Griffin	Remembrance weekend community entertainment	£50.00	£0.00	£50.00	Centenary Remembrance
218	22/03/2019	Visa	Morecambe TC	HMRC Quarterly Payments	£2,297.11	£0.00	£2,297.11	Salaries

219	26/03/2019	101371	Morecambe Homeless Action	Grants - Homeless Action	£500.00	£0.00	£500.00	Community Grants
220	26/03/2019	101372	Morecambe Fringe	Festival Morecambe Fringe	£3,450	£0.00	£3,450.00	Festivals
222	29/03/2019	101374	Maxigene Enviromental Services	Legionella Monitoring	£60.00	£12.00	£72.00	Toilets Management
223	28/03/2019	101375	JPI Media Publishing	Toilet Cleaning Tender Advert	£190.00	£38.00	£228.00	Toilets Management
224	29/03/2019	101376	Gordon Pattison Ltd	Metal Doors for Toilets	£890.00	£178.00	£1,068.00	Toilets Management
225	29/03/2019	101377	Lancaster District Conservation	Grant - Conservation volunteers	£500.00	£0.00	£500.00	Community Grants
226	29/03/2019	DD	MB Digital	Photocopier Hire - Feb copying charges	£22.00	£4.40	£26.40	Photocopier Charges
227	29/03/2019	101379	Lancaster City Council	Defibrillator fitting	£160.50	£32.10	£192.60	Deprivation Support
228	27/02/2019	Visa	WUK Media	Morecambe in Bloom Entry Forms on website	£200.00	£40.00	£240.00	Postage, Printing, Stationary
229	28/03/2019	Visa	Lancaster City Council	Room Hire and Refreshments	£85.00	£5.40	£90.40	Neighbourhood Plan
230	29/03/2019	101380	Morecambe BID CIC	Festival Advertising Morecambe BID £2,000 Printing contribution	£2,000.00	£0.00	£2,000.00	Festivals
231	29/03/2019	101381	Friends of Westgate School	Deprivation Grant - 4th stage payment	£126.72	£0.00	£126.72	Deprivation Support
232	29/03/2019	101380	Morecambe BID CIC	Planters for MIB - Planters contribution £3,500 + VAT	£3,500.00	£700.00	£4,200.00	Community Garden Fund
TOTALS					£50,234.44	£2,875.15	£53,109.59	

9.41 We have summarised our findings from the payments schedule referenced in 9.40 above:

- 1) A total of thirty-seven expenditure entries totalling £53,109.59 had not received full council approval for payment.
- 2) Three payments had received a limited assurance for compliance with the Financial Regulations.
- 3) Thirty-four expenditure payments did not comply with the Financial Regulations and had received none assurance.
- 4) Nineteen expenditure transactions did not have any authorisation reference, purchase order/contract or retrospective council approval. The value of these transactions was £11,900.87, plus VAT £1,648.46 totalling £13,549.33.
- 5) The remaining eighteen expenditure payments were supported with some reference which we could not verify without undertaking further detailed investigations. The value of these transactions was £38,333.57 plus VAT £1,226.69 totalling £39,560.26.

Recommendation 19: Reference to the Unauthorised Payments Schedule for March 2019: The Council should consider:

1) Carrying out a full review of all expenditure transactions for the period of March 2019 and to consider the recovery of Council funds for the unauthorised transactions if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised sum of money.

2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised payment should be pursued by any means available.

In the event where the Council is unable to implement part 1 and 2 above, then consideration should be given to retrospective approval of the payments schedule subject to full Council approval and a business case.

Implications: Please refer to recommendations 4 and 6 that may cross implications for addressing recommendation number 19.

Priority Level 1:	High
--------------------------	-------------

9.42 Visa Debit Card

The Town Council minutes dated 15th March 2018 referred to the authorisation of a charge card:

- *‘MIN 77(5) That the Clerk be authorised to apply for a charge card for the Councils HSBC Business account with a maximum spend per transaction of £500, and that the Clerk be the named registered cardholder on behalf of the Council’.*

9.43 Although the Town Council agreed for the application of a charge card, there was no further updates reported to the council on the progress of the application and card charges. There were no procedures agreed by council for the use of the card and processes in place in the event where the cardholder leaves. At the time of our audit we have been informed that the card was cancelled in late 2019 with the bank after the departure of the former Clerk/RFO.

9.44 We have summarised our findings relating to the use of the debit card based on the data of 232 voucher entries from the Scribe accounting system:

- 1) The card in use was a debit card linked to the main HSBC account and incurring bank charges and not a charge card as agreed by council.
- 2) Sixty-four expenditure transactions totalling £17,092.63 were incurred using the debit card representing 8.79% of the council's gross expenditure of £194,311.37 recorded on the system.
- 3) Twelve entries related to debit card charges totalling £188.61.
- 4) The highest value of a single debit card transaction was £4,002 including VAT paid to Speeder Limited for the toilet door access system.
- 5) The average value of a debit card transaction was in the region of £325.08.

Recommendation 20: Should the Council require a card in future then consideration should be given to the type of card, limits per transaction, overall limit of the card, procedures for the usage and cancellation in the event the card holder leaves. These changes should be considered to be incorporated within the Councils Financial Regulations and usage should be reported to the Council or committee as required.

Priority Level 1: High

9.45 Section 137 Payments

Section 137 of the Local Government Act 1972 is a statutory power. It gives council's the power '*to incur expenditure for purposes not otherwise authorised.*' It is only used when there is no other specific power available; it is a '*power of last resort*' and it must benefit some or all inhabitants and not an individual. When deciding on expenditure under Section 137, the minute of the decision should state explicitly that it is section 137 expenditure. A separate account of all section 137 expenditure within the financial year should also be kept. Section 137 payments must not exceed £7.86 multiplied by the number of electors in the parish for the financial year 2018/19. The amount per elector is fixed every year but is not index linked.

9.46 We reviewed the section 137 payments recorded on the Scribe accounting system. A total of £2,327.37 of section 137 expenditure was recorded. The majority of the payments related to grant monies awarded and on inspection of the payments we could not see a council grant form that has been used to apply for the funding.

9.47 Grants

We noted a large amount of grant payments totalling £57,454.44 coded to several budget headings:

- 1) Festivals
- 2) Deprivation Support
- 3) Community Grants

9.48 We reviewed the grant documentation and payments made that were coded to several budget headings. We have summarised our findings:

- 1) The grant applications were submitted a year in advance of the event for consideration.
- 2) The grant body was responsible for incurring expenditure for the event which was retrospectively paid for by the council.
- 3) The payments were paid out in the new financial year on receipt of the invoices.
- 4) Some grant payments were approved and paid out in the same financial year.
- 5) No feedback forms were available or submitted from the recipient.
- 6) The majority of the payments were not supported by a grant application form or a clear grant form criterion that determined the eligibility of the grant funding.
- 7) It is unclear what power the council was relying on to award the grants or if the payments were section 137 expenditure.
- 8) Several payments were made for a particular event to three different payees (see section 9.49)
- 9) Three payments were paid out for publicity without any further authorisation from council (see section 9.50)

10) We could not verify the authorisation of the 2017 grant payments paid out during the 2018/19 financial year without undertaking further investigations.

9.49 Five payments related to the Morecambe Fringe festival. There is inadequate audit trail to link the payments to an authorisation reference which we could not verify without undertaking further investigations. The payments were made to three different payees.

Ref	Date	Trans Type	Payee	Description	Total	Auth Ref	Budget
34	11/06/2018	101291	Morecambe Fringe	Morecambe Fringe Festivals	£2,000.00	TC - 21-Sept-2017	Festivals
70	02/08/2018	101306	Morecambe Fringe	Fringe Festival Grant	£3,025.00	2017?	Festivals
139	21/11/2018	101338	Laissez Faire Ltd	Fringe Festival Grant	£5,025.00	nil	Festivals
163	11/02/2019	101345	Decimal Places	Fringe Festival Grant	£3,000.00	nil	Festivals
220	26/03/2019	101372	Morecambe Fringe	Festival Morecambe Fringe	£3,450.00	Sept 2017?	Festivals
Totals					£16,500		

9.50 A review of the minutes of the Festivals and Events committee confirmed an allocation of £5,000 was earmarked for 'Publicity'. We could not find any authorisation references that enabled the Clerk/RFO to place orders with Morecambe BID CIC and Zest Publications. These payments are summarised in the table below.

Ref	Date	Trans Type	Payee	Description	Total	Auth Ref	Budget
26	04/06/2018	101285	Morecambe BID CIC	Festival Advertising - Morecambe BID - Contribution to Town Leaflet printing	£2,000.00	51 (1) TC 11-Oct-2018?	Festivals
197	08/03/2019	Visa	Zest Publications	Festival Advertising - Local Choice	£600.00	Budget Jan 2018?	Festivals
230	29/03/2019	101380	Morecambe BID CIC	Festival Advertising Morecambe BID £2,000 Printing contribution	£2,000.00	Nil	Festivals
Totals					£4,600		

Recommendation 21: That a full review of the grants process is undertaken with a review of the grant forms, eligibility criteria, monitoring and evaluation and terms of publicity and acceptance of agreements. Grants payments to be made in advance of the event and not in arrears as it assists the applicant/organisations ability to deliver the event.

Priority Level 1: High

9.51 VAT

Section 33 of the VAT Act 1994 allows local authorities such as a parish and town councils, to recover the VAT they incur in the course of performing their public duties. A year for section 33 bodies runs from 01 April to 31 March. VAT must be reclaimed on an annual basis or throughout the year depending on the arrangements agreed with HMRC.

9.52 We reviewed VAT records that identified four VAT returns were submitted to HMRC:

- Reclaim Total £1,465.15 - Period from 01 April 2018 to 30 June 2018
- Reclaim Total £852.03 - Period from 01 July 2018 to 30 September 2018
- Reclaim Total £2,189.94 - Period from 01 October 2018 to 31 October 2018
- Reclaim Total £4,507.25 - Period 01 January 2019 to 31 March 2019
- Total VAT Reclaim 2018/19: £9,014.37

9.53 We were unable to verify the reclaims against the HMRC documentation. It is standard practice for HMRC to provide an automated receipt of submission if the reclaims have been submitted online. We reviewed the bank statements to confirm the HMRC VAT refund had been deposited in the councils bank accounts. The data from the receipts record from the accounting system was cross referenced with the bank statement:

Receipts Record from Accounting System verified against the bank statements	
Refund received 10 September 2018	£5,743.43
Refund received 09 January 2019	£3,041.96
Total reclaim received 2018/2019	£8,785.39
Total VAT reclaim recorded as claimed during 2018/19	£9,014.37
Total VAT Recoverable amount recorded on the balance sheet at year end:	£9,710.68

9.54 Total VAT Recoverable amount was recorded on the balance sheet at £9,710.68 as a current asset representing the total value of the VAT recovered from the 01 April 2018 to 31 March 2019 received and banked. We would expect the final quarter of the VAT from 01 January 2019 to 31 March 2019 to be reclaimed after the 31 March 2019, and therefore any outstanding monies to be paid to the council in the 2019/20 financial year and to be subsequently presented as a creditor balance on the balance sheet at year end for 31 March 2019. We noted the discrepancies in the VAT reclaim calculations/claims and actual refunds received during the year totalling £8,785.38 (see section 9.82)

9.55 VAT Reclaim for Third Party Invoices

We noted several VAT entries that had been reclaimed for payments that did not represent council related expenditure. Examples of this relate to payments made on and behalf of Morecambe in Bloom, for example a claim of £68.51 that related to the purchase of wood for library planter purchased via a visa debit card on the 06/07/2018. Another entry was £41.67 for a deposit relating to the awards ceremony for Morecambe in Bloom and a further reclaim entry of £204.58.

CONTROL AREA (3) OBJECTIVE:	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	
AIM:	To obtain assurance that risk management arrangements are adequate to manage all identified risks.	
ASSURANCE LEVEL:	LIMITED	LIMITED

9.56 Risk Management Arrangements

Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks; addressing risks; and reviewing and reporting. This is demonstrated by key documents the Council should have in place which include a Risk Assessment and a system of internal controls. This should be reviewed and adopted by the authority at least on an annual basis or when the risks change.

9.57 We reviewed the Risk Management Log that was considered by the Finance and Management committee on the 11th March 2019 and recommended for adoption by full Council at the meeting held on 21st March 2019. The Risk Management log included all the key risks we would expect to see in a risk register and the controls in place to manage the level of risk on a risk level of low, medium and high risk, however we found that 'actions planned' that stated a timeframe of 'March 2013' were out of date which implies that the management log had not been fully reviewed or updated to reflect the date and status of actions identified.

9.58 Although the purpose of a risk management document is to provide the Council with a structure to highlight and facilitate effective risk management, we noted that some controls in place were rated as 'High' but they did not have a timeframe to complete the actions to mitigate the risk to a reasonable level which is manageable. An example of this is reflected in risk reference R15. The controls in place refer to the Clerk completing a CILCA qualification [Certificate in Local Council Administration] when this control should be reflected as a planned action rather than a mitigating factor that has been used as a substitute to reduce the level of risk rating. We found that the additional control in place referred to the Clerk advising Council on legal powers on the basis of completing the CILCA training, which could not be used as a control measure in place as it is a planned action rather than a control measure. The responsibility for this area in our view should have been allocated to the Personnel Committee for training purposes, Finance and Management Committee and Full Council.

Risk No	Description of Risk	Controls in Place/Mitigation	Risk Score	Actions Planned/Taken	Responsibility
R15	The Council undertakes/makes a payment that is illegal/outside its powers	Medium/High risk as Council could be found acting ultra vires if made illegal payments. Clerk has advised Council of its legal powers and is completing CILCA training and has	M/H	Ensure Councillors are aware and kept up to date on the legal powers of parish Councillors. Further training to be organised for Councillors regarding	Clerk

		undertaken training with members of the Council's legal powers		meeting procedures, powers and roles of Councillor and also with regard to Community Engagement Prior to 31/3/13.	
--	--	--	--	---	--

9.59 We assessed another area of risk 'R14' described as 'minutes are inaccurate/illegal'. The risk level was identified as low due to the Clerk qualified with 'ACIS' but the planned action referred to the CILCA qualification. The wording on the planned action implied a past tense action but was followed by a future date which could be read either way. We found that the ACIS qualification is a professional qualification for the Institute of Chartered Secretaries and Administrators. The ACIS is not a sector led qualification for Town and Parish Councils and cannot be substituted as such. However, the CILCA qualification is a sector led qualification at Level 3. The foundation qualification provides you with a broad knowledge of all the aspects of a clerk's work - roles and responsibilities, the law, procedures, finance planning and community involvement.

Risk No	Description of Risk	Controls in Place/Mitigation	Risk Score	Actions Planned/Taken	Responsibility
R14	Minutes are inaccurate/illegal	Low risk. Minutes are approved by Council at each meeting. Clerk qualified with ACIS.	L	Clerk completed CILCA qualification by March 2013.	Clerk

9.60 The council did not fully assess all the risks contained within the risk management log and failed to introduce adequate controls in place to mitigate the level of risk or to assign time limited actions. The council had a appointed a legal officer holding the post of Town Clerk and RFO that did not hold the sector led qualifications and was not risk assessed for competency and legal purposes. This would have left the Council exposed at high risk of financial, procedural and unlawful actions or errors.

Recommendation 23: That the Council fully considers the risk management log (at least on an annual basis) identifying the risks, assessing the risks and introducing adequate controls measures with time limited actions to reduce the level of risk.

Priority Level 1: High

Recommendation 24: That the Council undertakes a risk assessment for the post of Town Clerk and RFO for competency and legal purposes.

Priority Level 1: High

9.61 General Data Protection Regulations [GDPR]

The General Data Protection Regulations came into force on the 25 May 2018. Due to the financial risk associated with the new Data Protection Regulations, Data Protection forms part of the Councils Risk Assessment.

- 9.62 The risk management log 'R19' identified a risk of 'Failure to comply with the General Data Protection Regulations'. There were no controls in place and the planned action referred to the council 'to undertake an audit of its Data Protection Policies and to complete this by 31st July 2018' and 'Following completion of the above to employ Yorkshire Internal Audit Services to undertake an independent audit/assessment of the robustness of the councils procedures and policies re GDPR'. As referenced above, the actions planned were out of date and had not been fully reviewed prior to the Council adopting the risk assessment on 21st March 2019.

Recommendation 25: That the Council introduces policies relevant to the authority to comply with the General Data Protection Regulations. The Society of the Local Council Clerks (SLCC) have a GDPR Checklist and model policies that the Council should consider adopting as required. Alternatively, the Council may wish to contact their local County Association for support.

Priority Level 1:	High	
-------------------	------	--

9.63 Review of Internal Controls

As part of risk management arrangements, the council is required to assess that it has a sound system of internal control. The response to this risk is initiated in internal control checks which assist the Council to review the effectiveness of the internal controls and where required make suggestions for improvements. This responsibility is discharged to the Finance and Management committee who are responsible for the management of risk as set out in committee terms of reference (number 1).

- 9.64 Having carried out a review of the Finance and Management committee minutes we noted that there was no system in place for carrying out internal control checks. The internal controls check should be carried out by the council at least on an annual basis and separately documented and formally recorded in the Council minutes.

- 9.65 The councils Financial Regulations, section 17 refers to 'risk management policy' statements. From conversations with the Clerk/RFO we understand that the council does not have a Risk Management Policy in place. We would recommend that a policy is introduced as it will assist both members and officers in the discharge of their responsibilities in compliance with the Financial Regulations.

Recommendation 26: That a Risk Management Policy is introduced and adopted by the Council. The policy should outline processes involved in regards to risk assessments and the Councils internal controls procedure and responsibility for implementing the policy.

Priority Level 2:	Medium	
-------------------	--------	--

9.66 Insurance

The insurance policy was reviewed which commenced from 29th September 2018. The main insurable risks of public liability, employer's liability and fidelity guarantee were in place. The asset register value was recorded as £63,375.94 at 31 March 2018. On inspection of the insurance documents, a list of specific Council assets was insured at the total value of £51,178.54, variance of £12,197.40 of valued assets uninsured.

9.67 We reviewed the Finance and Management committee minutes dated 10th September 2018.

Although a tendering exercise was carried out to ensure the Council was receiving the best value for money in respect of the renewal premium of £735.89, the Committee failed to carry out a detailed review of the insurances in place and the assets that were insured against the asset register document. Further information relating to the asset register is referenced at section 9.98 within this report.

Recommendation 27: That the Councils insurers are provided with a copy of the updated asset register and that the assets with the latest replacement values are insured [see section 9.98]

Priority Level 2:	Medium	
--------------------------	---------------	--

CONTROL AREA (4) OBJECTIVE:	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	
AIM:	To provide assurance that the annual precept request is the result of a proper budget process, that budget progress has been regularly monitored and the Councils reserves are appropriate.	
ASSURANCE LEVEL:	NONE	NONE

9.68 Budgetary Controls and Financial Health

The preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, irrespective of its size. The budgets purpose is to assist the authority in setting the precept for the year, [subject to the authority's Financial Regulations] it gives the clerk and other officers overall authority to make spending commitments in accordance with the plans approved by members; and it provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

9.69 Paragraph 5.9 of the Governance and Accountability Practitioners Guide provides detailed information of each key stage and order the council should consider in the budgeting process:

- Decide the form and level of detail of the budget;
- Review the current year budget and spending;
- Determine the cost of spending plans;
- Assess levels of income;
- Bring together spending and income plans;
- Provide for contingencies and consider the need for reserves;
- approve the budget;
- Confirm the precept or rates and special levies; and
- Review progress against the budget regularly throughout the year.

9.70 The councils Financial Regulations set out the process for approving the budget by the January meeting of the full council. The Finance and Premises committee is discharged to reviewing the budgetary arrangements and to make recommendations to full council.

9.71 The 2018/19 approved precept agreed at the January 2018 full council meeting was £188,141.38 as shown in the table (extracted from the approved precept form dated 18/01/2018).

2018/19 Approved Precept Request	
Total Forecast Spending	£300,625.70
Less Income	£112,484.32
= Precept	£188,141.38
Divided by Parish Tax Base	9603.95
Resulting Parish Tax Rate	£19.59

9.72 We carried out testing to verify if the approved budget headings for 2018/19 had been used to code expenditure correctly, to monitor budget progress throughout the year and reported to members at least on a quarterly basis. For narrative purposes, we have included the breakdown of the approved budget that was agreed to support the precept request above.

Morecambe Town Council Budget Revenue Budget 2018/19 RECURRING ITEMS (to be funded from the 2018/19 precept)			
EXPENDITURE	£	Projects	£
Staffing and Administration	66,690.00	War Memorial Fund	9,928.28
Training	2,000.00	Community Garden Fund	7,000.00
Festivals	55,000.00	Mobile CCTV Cameras - taken from the Growth Reserve Fund	3,000.00
Community Grants	5,000.00	Project to help tackle Social deprivation/social isolation - to be delivered over 2 years via service level agreements and aimed at families and the elderly - to be funded using powers available to the Council under Section 137 of the Local Government Act 1972, with the funds being taken from the Growth Reserve Fund	9,000.00
Section 137 Expenditure (Remembrance Day Wreath, Community Awards and Armed Forces Grant of £1000)	1,200.00	Morecambe in Bloom - additional funding brought forward from 2017/18	1,500.00
Christmas Lights	6,000.00	Purchase of second SpID and mounting plates to enable the SpID to be positioned on both sides of each targeted road	2,507.42
Morecambe in Bloom	3,000.00	Reserves	
Community Events	300.00	Office Fund	55,000.00
Toilets Management	7,000.00	Asset replacement Fund	9,000.00
Environmental Enforcement Officer	12,500.00	General Reserves	9,000.00
Anti-Social Behaviour Officer	14,000.00	Growth Reserve Fund	7,000.00
Newsletter	4,000.00	Totals	112,935.70
CCTV	5,000.00	Note: Total projected spend (including Reserves) would be	
By Election Fund	6,000.00	£300,625.70	
Totals	187,690.00	The precept for 2018/19 will be £19.59 for Band D (i.e. a nil % increase from 2017/18 - this will raise £188,141.38	

9.73 The Finance committee reviewed the budget arrangements and monitoring progress at a meeting held on the 5th November 2018. Reviewing the budget against actual expenditure should give members early warning about the likelihood of a shortfall (or surplus) and helps them to decide what responsive action to take. Manual documentation prepared by the RFO included the councils current financial position at 31st October 2018 in respect of the actual spend against each budget heading. We found that the budget progress reported to members was based on budget expenditure items that did not form part of the councils approved budget and spending plans for 2018/19. We identified budget headings for example Legal Expenses £500 and Accountancy and Audit £1,400 that did not form part of the approved budget. Some unapproved budget headings included expenditure incurred

against the budget line and referred to a 'budget' that had been subsequently allocated monies which was incorrect. An example of this includes a budget heading for 'Town Council Office Rent' showing a budget of £3,850 and an expenditure of £1,925. Another example is the 'Hire of Rooms (Meetings)' showing a budget of £2,450 and an expenditure of £410.00. We have included a copy of the Appendix B: Budget 2018/19 - Position at 31st October 2018 presented to the Finance and Premises committee meeting held on the 5th November 2018.

Budget 2018/2019 - Position as at 31st October 2018			
Budget Head	Income (£)	Budget (£)	Expenditure (£)
<u>Staffing and Administration</u>			
Salaries		55,300	22,472.11
Town Council Office Rent		3,850	1,925
Photocopier Charges		1,500	902.84
Hire of Rooms (Meetings)	349.10	2,450	410.00
Subscriptions		730.00	706.00
Telephone		420.00	209.43
Postage, Printing and Stationery		550.00	135.81
Accountancy and Audit		1,400	715.00
Insurance		800.00	735.00
Website		300.00	300.00
Legal Expenses		500.00	
Training	698.00	2,000	
Data Management		300.00	
<u>Grants</u>			
Festivals	149.76	56,700	20,420.00
Community Grants		5,000	996.25
Deprivation		9,000	1,811.80
<u>Community Safety</u>			
Anti-Social Behavior		14,000	14,000
Environmental Enforcement Officer		12,500	12,500
CCTV Contribution		5,000	
SpID		2,507.42	
Mobile CCTV		3,000	
<u>Neighborhood Plan</u>			
Neighborhood Plan		4,000	576.75
<u>Community Engagement</u>			
Newsletter		4,000	1,900
Morecambe In Bloom	1,734.62	4,500	2,590.78
Community Garden	800.00	7,000	314.32
Poulton Neighbourhood Council		171.97	202.72
Station Grant		377.78	64.00
Community Events		300.00	
Christmas Lights		6,000	
<u>Toilets</u>			
Toilets Management	1,827.94	7,000	4,766.59
War Memorial		9,928.28	
Street Art Grant		2,122	2,122
<u>Section 137</u>			
S137 Expenditure	24.45	1,200	1,159.15
<u>Reserves</u>			

General Reserves		9,000	
Asset Replacement Fund		9,000	
By-Election Fund		6,000	
Growth Reserve Fund		7,000	
Community Centre & Town Council Office		55,000	
Bank Related Costs			
Bank Interest	481.12		
Bank Charges		240	119.69
Precept			
Annual Precept	188,141.38		
Totals	194,206.37	310,647.45	92,056.13

9.74 From time to time, an authority may by resolution of the full council amend the expenditure plan by moving money from one budget heading to another which is known as a virement. On inspection of the minutes, we saw no evidence of budget virements that could explain the significant variances in the budget headings.

9.75 Financial Regulation 3.5 states ‘Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the Council’. We noted from the full council minutes from May 2018, that full Council brought forward monies into the 2018/19 financial year without fully considering the risk and impact of the general reserves and in contravention of the financial regulations. We noted a total of £12,723.75 carried forward to the 2018/19 financial year:

- £1,200 - Community Grants
- £2,122 - Unspent element of the Arts Council Grants towards Street Art
- £1,500 - Morecambe in Bloom
- £1,700 - Festivals
- £377.78 - Station Grant
- £171.97 - Poulton Residents Fund
- £4,000 - towards the Neighbourhood Planning
- £1,350 - to the Room Hire Budget
- £300 - towards an audit of the Councils Data Management procedures by the Councils internal audit providers, Yorkshire Internal Audit.

9.76 Financial Regulation 2.2 requires the RFO to prepare a base budget to be considered by the council. We noted that the Finance and Management committee considered a report at the meeting held on the 7th January 2019 prepared by the RFO that was recommended to council for consideration. The base budget only accounted for projected estimates for year end and failed to consider each stage of the budget process as set out in the practitioner’s guide.

9.77 In setting the 2019/20 budget at the council meeting held on the 17th January 2019, the council did not follow the process set out in the Financial Regulations or the guidance contained within the Governance and Accountability guide. The council did not consider a budget based on realistic assessments on the actual cost of proposed plans and levels of

expected income. Three versions of the budget prepared by three political parties were presented at the meeting and debated with the final and third version adopted by the council.

9.78 The council has been left vulnerable and at high risk of financial shortfall for the non-compliance matters identified in the budgetary control area as a result of:

- 1) Incurring expenditure that did not form part of the approved budget;
- 2) Non-compliance of Financial Regulation 3.5 - Carrying forward monies without considering the full risk of the financial shortfall and the impact on the level of general reserves.
- 3) Failure to acknowledge the differences in the approved budget headings against the actual spend and by continuing to implement a budget that had not been approved by full council.
- 4) Failure in the preparation of a base budget by a Council Officer.
- 5) Failure to consider the budgetary process defined in the Financial Regulations or the practitioners guide.

Recommendation 28: That the Council considers a review of the accounting software to assess if it effective to manage the Councils accounts and supports the preparation and management of accounts and budget reports that should be produced from the accounting package. It is important that key documents are produced from the Councils primary records and not manually produced and presented to committee or Council.

Recommendation 29: That the Council follows each stage of the budget process as referenced within the Governance and Accountability guide when it considers the budget setting for 2021/22. Each expenditure budget should be supported by accurate information and on realistic spending assumptions. Where the Council introduces new budgets or expenditure then it should be supported by a robust business case. The accounting package may be able to produce detailed budget reports which refer to the previous year's budgets and actuals, as well as showing carry forwards giving a revised budget and the current years budget and actuals.

Priority Level 1:	High	
-------------------	------	--

9.79 On further investigations we found that the budget that was implemented during the 2018/19 financial year was the budget that had initially been proposed by a political group on the Town Council but had not been approved by the full Council at the budget meeting in January 2018 that approved the precept.

9.80 Council Reserves

The guidelines stipulate that authorities should have sufficient Reserves (General and Earmarked) to finance both its day to day operations and future plans. It is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive. The council had a total of £80,000 reserves of which £71,000 (88.75%) was set aside for earmarked projects.

Reserves	
Office Fund	55,000.00
Asset replacement Fund	9,000.00
General Reserves	9,000.00
Growth Reserve Fund	7,000.00
Totals	80,000

9.81 The appropriate minimum level of an Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure (N R E). The general reserve figure of £9,000 represented approximately 4.79% of the councils Net Revenue Expenditure which is significantly below the recommended threshold.

Recommendation 30: That the Council considers adopting a General Reserve policy, with the level appropriate to their size and situation and plan their budget so as to ensure that the adopted level is maintained. The recommended general reserve is between 3-6 months of net revenue expenditure.

Priority Level 1:	High	
--------------------------	-------------	--

CONTROL AREA (5) OBJECTIVE:	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	
AIM:	Obtain assurance that income controls are in place and operating effectively.	
ASSURANCE LEVEL:	NONE	NONE

9.82 Income Controls including the Precept

The Town Council receives small amounts of income for the toilet donations in addition to bank Interest on an ad-hoc basis. We reviewed the receipts list total £194,954.09 of net income. The precept represented the largest income received by the council. We tested the precept approved to confirm that it agreed to the authority notification and the money received and banked. We can confirm that the precept demand of £188,141.38 was received in one instalment on 10 April 2018 in the HSBC Money Market Call Account.

9.83 We noted the receipt of two VAT Refunds which we have covered in the earlier parts of our report:

- £5,743.42 - 10 September 2018 - HMRC VAT Refund
- £3,041.96 - 09 January 2019 - HMRC VAT Refund

9.84 Effective debt collection is an essential part of proper financial management. Authorities should ensure that invoices raised are paid promptly or that appropriate recovery action has been taken. We noted a large number of income entries relating to third party organisations including Morecambe in Bloom; Morecambe Bloomers. We could not find any sales invoices generated for monies received from the suppliers above other than the detail recorded on the print out from the accounting system.

9.85 There were several VAT discrepancies which we have highlighted and reported in detail, covered in sections 9.18 and 9.55. As a result of the significant VAT findings we are unable to provide the Council with any assurance for the income controls.

Recommendation 31: That effective management controls are introduced by the RFO for the recovery of services rendered/good supplied which may include generating sales invoices. Any changes to the income controls should be set out in the Councils Financial Regulations.

Priority Level 2:	Medium
--------------------------	---------------

CONTROL AREA (6) OBJECTIVE:	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	
AIM:	Petty Cash: Obtain assurance that income controls are in place and operating effectively.	
ASSURANCE LEVEL:	Not applicable	See notes

9.86 Consideration of a Petty Cash Float

The purpose of a petty cash float is of defraying operational and other expenses. The floats should be adequate in size to meet small items of expenditure and should not require reimbursement more frequently than once a month. Adequate records of the receipts and payments should be maintained for each float, including a VAT analysis, and regular reconciliation performed, usually with such regularity that successful reconciliation can be reported at each authority meeting.

9.87 Financial Regulation 6.4 states that ‘The Council will not maintain any form of cash float. All cash received must be banked intact. Any postage made in cash by the Clerk and RFO (for example for postage and minor stationary items) shall be refunded on a regular basis, at least quarterly’.

9.88 During our audit we found many instances where the council business debit card was being used excessively for purchases to pay suppliers. Although the Financial Regulations make provisions for the payment method of a card, there are no detailed controls in place for the usage of the card (see section 9.42).

Recommendation 32: That consideration is given to introducing a petty cash float. The management and controls for the petty cash should be incorporated within the Councils Financial Regulations.

Priority Level 2:	Medium	
--------------------------	---------------	--

CONTROL AREA (7) OBJECTIVE:	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	
AIM:	Obtain assurance that payroll costs are supported by employment contracts, expenditure is approved and PAYE/NIC is properly operated.	
ASSURANCE LEVEL:	NONE	NONE

9.89 Payroll Controls

The council employed two postholders; the Clerk/RFO and the Assistant Clerk. As an employer the council must ensure that the payment of salaries and payment of deductions from salary such as tax, national insurance and pension contributions are made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting. Payments to staff and salary rates should be agreed by council or duly delegated committee. The arrangement for payroll is referenced within the council Financial Regulations, number 7, Payment of Salaries.

9.90 The payroll is run in-house using an online cloud system 'Payroo' administrated by the RFO. We are informed that the system automatically calculates Tax and NI contributions payable to HMRC. The pension is administrated by Lancashire County Council and payments arrangements are made via direct debit on a monthly basis.

9.91 We reviewed the pension arrangements in place by the Town Council that were initially setup in 2012. We found that correct authorisation was given to set up a Local Government Pension Scheme with Lancashire County Council in accordance with the full Council resolution. We sample tested the pension contributions for the month of April 2018 and can confirm that the employer and employee contributions were made to Lancashire County Council. The payment was taken out via a direct debit arrangement. We could not verify if the employees had been deducted the correct amounts as there was no payroll records available. An actuarial valuation of the Pension Fund is carried out every three years which recommends the level of contributions for the following three years. The council or committee should be reviewing and monitoring the changes in the contribution rate for budget purposes.

9.92 We attempted to view the employee contracts of employment for both postholders. The Town Clerk/RFO commenced post on the 14th March 2011 on a full-time basis. We could not find any reference within the contract that confirmed the NJC pay scale or pay point the Clerk/RFO was appointed on. We noted that subject to satisfactory performance, the post holder would be moved up to the next increment on the pay scale until they had reached the maximum of the scale.

9.93 The council had employed a part time Assistant Clerk who left the post during the early part of the 2018/19 financial year and a replacement was appointed on the 7th January 2019. The contract of employment for the Assistant Clerk was unavailable during our audit.

9.94 We could not review the payroll records from the payroo system due to administrative issues that denied access to the system. We were unable to verify the payroll records due to the lack of information that was unavailable to audit. We reviewed the minutes of the Personnel Committee. A total of 3 meetings were held:

- 12th April 2018
- 13th August 2018
- 29th October 2018

Recommendation 33: That attempts are made to retrieve the payroll data for the last three financial years for HMRC purposes. The employer is responsible for retaining the records which provide evidence that accurate deductions and payments have been made.

Recommendation 34: In the event where the payroll records cannot be retrieved or replaced and are lost, stolen or destroyed, the Council should make a declaration to HMRC to inform them of this. Further guidance on this is available on the .gov website:

<https://www.gov.uk/pay-for-employers/keeping-records>

Priority Level 1:	High	
-------------------	------	--

9.95 We could not find any references to pay grading for the Clerk/RFO or the Assistant Clerk. We were informed that some discrepancies were found in payroll issues that were considered as part of a separate investigation that was carried out into the matter during the course of the financial year which was subsequently reported to the authority.

9.96 We reviewed the bank statements against the financial transactions from the Scribe Accounting system to retrieve salary data. The salary payments to staff were made via a Standing Order on the 21st of the month. The salary amount recorded on the Scribe system did not show a breakdown of salary payment for each individual member of staff. The breakdown of salary payment for each employee was retrieved from the bank statements.

9.97 We noted a reference from the full Council minutes dated 21st March 2019 that referred to the Town Clerk/RFO's appraisal. The salary pay point was increased in accordance with the pay scale and an underpayment was made for 2018/19. As there was no pay scale identified in the contract of employment, this would make it difficult for the council to monitor the salary pay scale range and pay points which would assist in their decision making to ensure that the correct pay point was awarded.

Recommendation 35: That all staff contracts are reviewed to ensure they are up to date and are approved by the Council and signed by the postholder. The Council should have regards to the NALC model contract of employment for Parish and Town Council employees. The National Salary Award lists the new pay scales for clerks and other employees employed under the terms of the model contract including SCPs 50 and above.

Recommendation 36: That the Council considers outsourcing the payroll to an independent payroll provider to ensure that the payroll is administrated correctly including pension deductions. Addressing the payroll would strengthen the payroll controls as it would provide a segregation of duties for the Town Clerk/RFO.

Priority Level 1:	High	
-------------------	------	--

Recommendation 37: That the Council consider introducing an Employee Appraisal Policy which sets out the annual review and appraisal of all employees. The review and appraisal should be reported in writing and subject to a resolution of the Personnel Committee.

Recommendation 38: No changes should be made to any employees pay, emoluments or terms and conditions of employment with the prior consent of the Council or committee and subject to an annual appraisal, formal job evaluation or business case.

Recommendation 39: In the event changes are made to an employee's salary, the Council or committee should ensure that the change to the salary costs are confirmed by a resolution of the Council on an annual basis and documented.

Priority Level 2:	Medium	
--------------------------	---------------	--

CONTROL AREA (8) OBJECTIVE:	Asset and investments registers were complete and accurate and properly maintained.	
AIM:	To provide assurance that all material assets are accounted for correctly.	
ASSURANCE LEVEL:	NONE	NONE

9.98 Asset Register

An asset register is the starting point for any system of financial control over assets as it facilitates the effective physical control over assets; provides the information that enables the authority to make the most cost effective use of its capital resources and ensures that no asset is overlooked or underutilised and is therefore used most efficiently. Most assets should be first recorded in the asset register at their actual purchase cost. In some cases, the purchase cost may not be known at acquisition, therefore a nominal fee of £1.00 should be entered. The date of acquisition, location and disposal should be included within the asset register.

9.99 An asset register is used for insurance purposes to inform the insurers of Council assets replacement value of items and to help manage risk including the protection of physical assets owned by the authority - buildings, furniture, equipment, etc against loss or damage. It acts as a record of Legal liability as a consequence of asset ownership (public liability). The value of Assets recorded in the register is also used to inform the 'total fixed assets' section of the Annual Governance and Accountability Return (with the exception of Assets held on Trust).

9.100 In accordance with Financial Regulation 14; the RFO is responsible for ensuring that an accurate register of Council Assets is maintained and that the continued existence of assets shown in the register is verified at least on an annual basis. A review of the minutes confirmed that no physical check of the asset register was carried out to verify their existence.

9.101 We reviewed the asset register which recorded on the front cover sheet 'MTC Asset Register at 31st March 2019'. The final page of the asset register recorded a date of '31 March 2018' that recorded a total asset value of £63,375.94. The latest entry in the asset register was recorded at 16/03/2018. This confirms that although the date on the front cover sheet was altered to reflect the 2018/19 financial year; the asset register had not been updated to reflect any additional fixed asset purchases during the current financial year (2018/2019).

9.102 The figure of £63,375.94 was verified against box 9 of the Accounting Statements of the AGAR for 2018/19 which stated a value of £63,376. This value was cross referenced with the schedule of Council assets insured with Zurich which totalled £51,178.54, variance of £12,197.40 of valued assets uninsured.

9.103 We carried out a sample test of purchases during 2018/2019 to verify their existence on the Asset Register and against the insurance policy schedule. We found several entries that had not been updated on the asset register or reflected in the insurance policy schedule. The entries included the purchase of a toilet door access system of £4,000.02 on 04 March 2019; Planting

boxes (station grant) purchased on 13 March 2019 at a cost of £369.72; supply and installation of new lock for toilets on 02 August 2018 at a cost of £300.00.

Recommendation 40: That improvements are made to the Asset Register to include a reference number for each individual item, the purchase cost, the replacement cost for insurance purposes, custodian/responsible officer and details of disposal (if applicable) to be recorded in a disposals register.

Recommendation 41: That a full review is undertaken of all Council purchases (fixed assets) and that the asset register is updated to include all fixed assets purchased by the Council from the 01 April 2018 to 31 March 2019.

Recommendation 42: That the updated asset register is forwarded to the Council's insurers to confirm that all Council assets are insured at their replacement value.

Recommendation 43: That the Council arranges an annual inspection of the asset register items to ensure that all items listed can be physical verified and subsequently reported to the Finance Committee or Council.

Recommendation 44: That the Council introduces an Asset Register Policy which outlines the procedure for updating and maintaining the register, and to include a particular method of asset valuation to be applied consistently from year to year in accordance with the recommended practices set out in the Governance and Accountability for smaller authorities. The method of asset valuation adopted should be set out within the policy approved by the Council and recorded in the minutes and in the asset register.

Priority Level 1:	High
-------------------	------

CONTROL AREA (9) OBJECTIVE:	Periodic and year-end bank account reconciliations were properly carried out.	
AIM:	To provide assurance that bank reconciliations were carried out on a regular basis and reported to Council.	
ASSURANCE LEVEL:	NONE	NONE

9.104 Periodic Bank Reconciliations

The bank reconciliation is a key tool for the management of the accounts as it assists with regular monitoring of cash flow which aids the authority with their decision making. We reviewed all the bank reconciliations carried out and we found that monthly bank reconciliations were not performed for each individual bank account. We did find that some form of reconciliation was taking place for an 'All Banks' combined bank account reconciliation which can be useful for showing the Councils combined cashbook position.

9.105 This form of reconciliation is useful to be performed on a quarterly basis or for year-end purposes. We noted that the combined reconciliation report did not show any uncleared receipts or payments but we did find that the uncleared receipts and payments were being prepared manually and reported with the combined bank reconciliation to committee and Council. Reporting the finances on this basis can leave the Council at high risk of exposure to error, omission or fraud as the Council is reliant on input figures entered onto the computerised accounting system in addition to the reliance of manual accounting figures.

9.106 We summarised the meetings dates of when the combined bank reconciliations were reported to the Finance and Management Committee.

Meeting Date	Reconciliation Date	Reconciliation Type
9 th May 2018	31 st March 2018	Combined (All Bank Accounts)
2 nd July 2018	26 th June 2018	Combined (All Bank Accounts)
10 th September 2018	31 st August 2018	Combined (All Bank Accounts)
5 th November 2018	30 th October 2018	Combined (All Bank Accounts)
7 th January 2019	27 th December 2018	Combined (All Bank Accounts)
No records available	No records available	No records available
11 th March 2019	No records available	No records available

9.107 We carried out a monthly bank reconciliation for June 2018 to test the accuracy of the data and to verify the bank balances and uncleared receipts and payments against the bank reconciliation presented to the Finance and Management Committee on the 2nd July 2018. We found inaccuracies in the bank statement figures provided on the bank account reconciliation statement presented to the Finance and Management that stated on the document that the figures were provided as per bank statements. We found that although the combined cashbook shown on the bank rec totalled the bank account balances at the 26th June 2018 for both bank accounts, the statement did not show a true account of the council's bank account balances.

HSBC Current Account	Bank Balance at 26 June 2018 (reconciled)	£3,925.36
	Bank Balance at 29 June 2018 (unreconciled)	£3,891.39
		Statement 166 & 167
HSBC Money Market	Bank Balance at 26 June 2018	£251,064.38
		Statement 75
	Total Bank Balances	£254,989.74
	Combined totals at 26 th June 2018	

9.108 We have included a copy of the combined bank account reconciliation presented to the Finance and Management committee as part of our audit and findings.

Appendix C: Bank Reconciliation produced by the Council's (Scribe) Accounting System as at 26th June 2018 and produced on 26th June 2018

26 June 2018 (2018-2019)

Morecambe Town Council

Bank Reconciliation at 26/06/2018

Cash in Hand 01/04/2018			114,490.16
ADD			
Receipts 01/04/2018 - 26/06/2018			191,023.75
			305,513.91
SUBTRACT			
Payments 01/04/2018 - 26/06/2018			52,699.56
A	Cash in Hand 26/06/2018		252,814.35
	(per Cash Book)		
	Cash in hand per Bank Statements		
	Cash	26/06/2018	0.00
	HSBC main	26/06/2018	254,989.74
			254,989.74
	Less unrepresented cheques		
	As attached		2,234.79
			252,754.95
	Plus unrepresented receipts		
	As attached		59.40
B	Adjusted Bank Balance		252,814.35
	A = B Checks out OK		

9.109 Our testing of the bank reconciliation for the HSBC Main Account are summarised in the table below. We identified one income transaction of £2,142.83 transferred from the HSBC Money Market Call account that had not been recorded in the cashbook.

9.110 We identified a further 6 entries [2 income transaction and 4 expenditure transactions] prior to or at 26 June 2018 that had not been listed as unrepresented/uncleared receipts and payments on the combined bank reconciliation statement presented to committee.

HSBC Business Current Statement Balance sheet 166	Bank Balance at 01 June 2018	£15,692.91
	Bank Balance at 26 June 2018	£4,285.36
	Unreconciled Difference	£11,407.55
	Total of Reconciled Expenditure Entries	£13,008.38 (minus)
	Total of Reconciled Income Entries	£250.00
	Difference of cashbook entries vs bank statement (income entry not recorded in the cashbook)	£2,142.83

Unrepresented / Uncleared Transactions as at 26 June 2018			
Receipts		Payments	
Bank Interest	£64.38	Accounts Package	£462.00
Toilet Income	£59.40	Room Hire and Postage	£281.60
		Postage and Community Events	£8.47
		Room Hire NP Steering Group	£185.12
Income Total	£123.78	Expenditure Total	£937.19
Difference of Unrepresented receipts and payments: £813.41 (minus)			

9.111 We attempted to review the data for the uncleared receipts/payments which was presented to the Finance and Management Committee on the 2nd July 2018 as referenced within the bank reconciliation statement (see para 9.110). We could not find this information attached to the minutes. We found a discrepancy in the figures presented in the bank rec of uncleared receipts (£59.40) and unrepresented cheques (£2,234.79) in comparison to the data we extracted from the computerised accounting records. We have concluded that the information presented to committee had not been extracted from the accounting system above but instead had been manually prepared.

9.112 We performed a bank reconciliation for the HSBC Money Market Call bank account. The bank balance at 01 June 2018 was £253,142.83 and the closing bank balance was £251,064.38 at 26 June 2018. We reviewed the statement transactions against the entries recorded in cashbook 1 identified as 'HSBC Transactions for Cash'. There were no transactions recorded in the cashbook for June 2018. The two entries that required reconciling related to a cashbook transfer of £2,142.83 via internet transfer on 19 June 2018 and an income entry of £64.38 of Bank Interest paid in on 26 June 2018. We found that the two entries that had not been recorded in the cashbook, would have been identified earlier, had a separate bank reconciliation been performed for each individual bank account in accordance with proper practices.

Recommendation 45: Where the Council is operating with two separate bank accounts, a separate bank reconciliation should be performed and carried out for each individual bank account on a regular basis with a breakdown of any unrepresented/unreconciled bank entries.

Priority Level 1:	High
-------------------	------

Recommendation 46: Bank reconciliations should be submitted to the Finance and Management committee on a regular basis for review. The Committee should review the bank reconciliation statement together with the original bank statement. A member other than a cheque signatory should be appointed to verify the bank reconciliation statement for all accounts (produced by the RFO), to be verified and initialled as approved in the presence of committee members and formally minuted.

Priority Level 1:	High	
-------------------	------	--

9.113 Year End Bank Reconciliation

As referenced above, a separate bank reconciliation should be carried out for each bank account operated by the authority although the results may then be summarised. We have identified that throughout the year separate reconciliations were not carried out for each bank account.

9.114 The reconciliation should be prepared in sufficient detail so that it is clear what the year-end balances are, the nature of the items that reconcile the difference that can be seen. The bank reconciliation should agree to the figure in Line 8 of Section 2 of the Annual Governance and Accountability Return.

9.115 We reviewed the year end bank reconciliation that showed the bank account balances at £141,276.27 and referred to a breakdown of balances 'per bank statements':

- Bank Account 1: HSBC Money Market [Cashbook 1] 'Cash' = £0.00
- Bank Account 2: HSBC Business Current [Cashbook 2] 'HSBC Main' = £141,276.26

9.116 We found that the balances purported to be held in the bank accounts at the 31 March 2019 as referenced in the year end bank reconciliation statement were not an accurate reflection of the actual amounts held in the bank accounts, for example, the closing balance for the HSBC Business Current Account 'HSBC Main' was £8,225.07 at 29 March 2019 and not £141,276.26.

9.117 The bank reconciliation referred to 'Less unrepresented cheques' to the value of £17,476.30 'as attached', we found no record of the attachment to support the value of unrepresented cheques.

Recommendation 47: That a separate bank reconciliation is carried out for each separate bank account held by the Council for year end purposes in addition to providing a summarised reconciliation statement of balances.

Priority Level 1:	High	
-------------------	------	--

CONTROL AREA (10) OBJECTIVE:	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	
AIM:	To provide assurance that the accounts are prepared on the correct statements (receipts and payments or income and expenditure) and that working papers can be followed through to the final document.	
ASSURANCE LEVEL:	NONE	NONE

9.118 Year End Procedures and Accounting Statements

The guidelines stipulate that authorities with an income or expenditure exceeding £200,000 would need to prepare their accounts on an income or expenditure basis. Authorities operating below the £200,000 threshold have the option to report either on an income and expenditure basis or on a receipts and payments basis. Where authorities change from a receipts and payments basis to income and expenditure, the accounts may be restated for the previous financial year after the external audit review and a note must be sent to the external auditors.

9.119 We reviewed the end of year accounts that were prepared by the RFO. The accounting totals submitted on section 2 of the AGAR indicated that the totals for income and expenditure remained under £200,000. The total for income was recorded as £194,928 which included the precept of £188,141. The expenditure total was £185,116 which included staff costs of £7,787. On this basis, the end of year accounts would have been prepared on the correct basis however we noted that a statement of Income and Expenditure Accounts had been prepared which indicates that the Clerk had prepared the accounts on an income and expenditure basis.

9.120 Our testing involved verifying the figures provided on section 2 of the accounting statements in the AGAR to be followed through to the working papers. We noted the closing balance of £123,808.96 (as per box 9 figure of £123,809) was made up of the following set of figures set out in the bank reconciliation at 31 March 2019:

A	Bank Reconciliation at 31 March 2018		
	Cash in Hand 01/04/2018		£114,490.16
	Add		
	Reciepts 01/04/2018 - 31/03/2019		£203,630.17
	Subtract		
B	Payments 01/04/2018 - 31/02/2019		£194,311.37
	Cash in Hand 31/03/2019 (per cash book)		£123,808.96
	Cash in Hand per Bank Statements		
	Cash	31/03/2019	£0.00
	HSBC Main	31/03/2019	£141,276.26
	Less unrepresented cheques (as attached)		£141,276.26
			£17,476.30
B	Plus unrepresented receipts (as attached)		£0.00
	Adjusted Bank Balance		£123,808.96
	A=B Checks out OK		

9.121 We reviewed the income and expenditure account statement which showed:

Opening Balances 01 April 2018	£123,707.96
Income Total	£194,954.09
Expenditure Total	£185,142.21
Closing Balances	£133,519.84
Represented by:	
General Fund Balance	£59,519.64
Earmarked	£74,000

9.122 There was a variance of figures provided for the income and expenditure balances on the bank reconciliation in comparison to the figures provided in the bank reconciliation. The income total (box 2 and 3) and expenditure total (box 4 and 6) provided in section 2 of the AGAR could not be followed back through to the working papers as these showed unexplained variances.

9.123 The VAT recoverable figure recorded on the balance sheet as £9,710.68 did not equal to the amount of VAT recovered during 2018/19. Accounts that are prepared on an income and expenditure basis, must account for creditors and debtors where applicable. Any outstanding VAT claimed for the last quarter of the financial year but not received and banked by the 31 March must be recorded as a creditor on the balance sheet. Further guidance on the preparation of accounts is available in the Practitioners Guide. Our detailed analysis of VAT is covered in section 9.51 above.

Recommendation 48: That the accounting statements in the AGAR are fully reviewed and supported by working papers showing the detail of the accounts and that creditors and debtors are shown on the accounts where required. Detailed guidance on the preparation of the accounts is set out from page 61 in the practitioner's guide 'Reporting on an income and expenditure basis'.

Recommendation 49: That the Council considers a review of the accounting software to assess if it effective to manage the Councils accounts and supports the preparation of year-end financial reporting including double entry book keeping and reversing journals.

Priority Level 1:	High	
-------------------	------	--

CONTROL AREA (11) OBJECTIVE:	IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick “not covered”)
AIM:	To provide assurance that the correct parts of the AGAR have been completed for the last year and sent to the external auditors with the supporting documentation.
ASSURANCE LEVEL:	[Not applicable to Morecambe Town Council]

CONTROL AREA (12) OBJECTIVE:	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	
AIM:	To provide assurance that the Council has advertised the dates for the inspection of public rights correctly.	
ASSURANCE LEVEL:	REASONABLE	REASONABLE

9.124 Exercise of Public Rights

In accordance with sections 26 and 27 of the Local Audit and Accountability Act 2014; Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority’s website or other website:

- Sections 1 and 2 of the Annual Governance and Accountability Return;
- A declaration that the status of the statement of accounts is ‘unaudited’; and
- A statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

9.125 In accordance with Regulation 12(3) of the Accounts and Audit Regulations 2015, the authority’s RFO is responsible for commencing a 30-working day period as soon as possible after the statement of accounts has been approved by the Council and signed and dated by the person presiding at the meeting at which that approval is given. In accordance with Regulation 15(1), the RFO must ensure that the 30-working day period includes the first 10 working days of July following the end of the financial year to which the accounts relate.

9.126 We reviewed the public notice for the inspection rights that had been correctly prepared by the RFO and advertised the dates from 17TH June 2018 to the 26th July 2018 [30 working days]. The unaudited accounts were available on the Town Council website with a statement prepared by the RFO setting out information relating to the statement of accounts and the statutory requirements of internal and external audit. We were informed that in the last year, substantial changes have been made to the Town Council website and historic information that was uploaded has now been temporarily removed due to the design changes. We are informed that the documents temporarily removed, will be uploaded onto the website over time.

CONTROL AREA (13) OBJECTIVE:	For local Councils only - Trust funds (including charitable) - The Council met its responsibilities as a trustee.
AIM:	Obtain assurance that the Council has met its responsibilities to comply with discharging accountability responsibilities for the fund(s)/assets, including financial reporting and if required, independent examination or audit.
ASSURANCE LEVEL:	[Not applicable to Morecambe Town Council]

----- **END OF FINDINGS** -----

10. Appendix A - Recommendations Action Plan

No	Recommendation	Priority Level	Responsibility	Timescale
1	That the opening balances are entered into the cashbook to ensure it is up to date and records the Councils Opening Cash balances.	1		
2	That the Council considers membership to the local county association which would enable membership access to the National Association of Local Councils for advice, support and model documents. The full details of membership benefits can be obtained from the county association.	2		
3	That the Standing Orders and Financial Regulations are reviewed to ensure that they are up to date in accordance with the latest National Association of Local Council [NALC] model documents and tailored to the Council as required.	1		
4	Reference to the Morecambe BID CIC payments: The Council should consider: 1) The recovery of Council funds for unauthorised/overpayment made to Morecambe BID CIC if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised/overpayment sum of money. 2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised/overpayment should be pursued by any means available. 3) Updating the Financial Regulations for signatories: A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question. In the event where the Council is unable to address part 1 and 2 above, then consideration should be given to approval of the payments retrospectively subject to a business case and full Council approval.	1		
5	Reference to Morecambe in Bloom: The Council should consider:	1		

	<p>1) Only making payments in respect of goods and services that it has received or when grant funding or sponsoring other organisations or as a contribution to a jointly funded project. It should not make payments on behalf of other organisations. A full review of all transactions should be undertaken to identify Council related expenditure.</p> <p>2) The arrangements in place for jointly partnership funded projects. Any agreements must be reflected in a contract or partnership agreement drawn up between the two organisations and responsibility must be allocated with Council or committee for overseeing the delivery of the joint project or alternatively the organisation may wish to apply for grant funding.</p> <p>3) Making arrangements for transferring non-Council funds to the accountable body. The Financial Regulations should be updated to reflect that the Council's bank account must not hold funds on behalf of any other individual or organisation except where the Council is the nominated accountable body for a joint committee of local Councils. Further information is set out within the Practitioners Guide.</p>			
6	<p>Reference to the Community Garden budget payments: The Council should consider:</p> <p>1) The recovery of Council funds for the unauthorised payment of £500 made to the organisation 'More Music' if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised sum of money.</p> <p>2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised payment should be pursued by any means available.</p> <p>In the event where the Council is unable to implement part 1 and 2 above, then consideration should be given to approval of the payment retrospectively subject to full Council approval and a business case.</p>	1		
7	<p>The Council should consider introducing a contracts procurement timetable for all contract's values exceeding £1,000. The timetable should include sufficient detail to identify the start and end date of the contract; the contract value and details of the contract.</p>	2		
8	<p>The Council should routinely obtain quotations for goods and services that exceed the threshold identified in the Financial Regulations which should be applied consistently at all times.</p>	2		

9	The Council should consider introducing clear procedures in place to enable the Clerk/RFO to book a meeting room and refreshments that have a cost implication.	2		
10	The Council should formally authorise any additional costs or changes in the service level agreement for the Environmental Officer in advance of the expenditure being incurred.	3		
11	The minute details and resolutions should clearly identify the cost of the expenditure incurred, the reasoning behind the expenditure and details of any quotes or tenders that were considered as part of the procurement process and in compliance with the Financial Regulations.	1		
12	That all invoices indicate the authorisation minute reference or Financial Regulation reference that authorises the payment. That all invoices are accompanied by a purchase order [where applicable] or reference to a purchase order number, contract or Financial Regulation reference where payment is made on account or via a direct debit arrangement.	1		
13	That the Council sets up a purchase order system and implements this into their financial practices as required in accordance with the Financial Regulations.	1		
14	That an accounts audit stamp is used for all invoices to record details of the Certifying Officer, Authorisation Reference, PO Number, Cost Centre/Code, Date Paid, Cheque Number/Transaction Type.	1		
15	The schedule of payments presented to the Finance and Management committee should contain sufficient detail and the totals that are recommended for approval and payment by full Council. The recommended schedule should be authorised by resolution for recommendation detailing the total of the payments recommended for approval. The recommended payments schedule should be signed and attached to the minutes.	1		
16	The schedule of payments presented to Council (via a recommendation by the Finance and Management committee) should be authorised by resolution and the payments schedule should be initialled or signed by the Chair and the total recorded in the minutes. The signed schedule should be attached to the signed minutes on approval.	1		
17	Cheques should only be signed by Councillors which are fully completed with payee and authorisation details accompanied by the original invoices and purchase orders. The file of invoices should be agreed to the delivery notes/Council budget by the RFO. Councillors should only sign cheques at a Council meeting once the payments have been approved and all invoices should be initialled.	1		

18	Void cheques should form part of the schedule of payments and be routinely reported to Council and committee for audit purposes.	1		
19	<p>Reference to the Unauthorised Payments Schedule for March 2019: The Council should consider:</p> <p>1) Carrying out a full review of all expenditure transactions for the period of March 2019 and to consider the recovery of Council funds for the unauthorised transactions if deemed appropriate. The RFO should be assigned as the responsible officer for raising an invoice to the overpaid party to register the debt and recover the unauthorised sum of money.</p> <p>2) Where on investigation if there is evidence of fraudulent intent from the overpaid party or the parties involved in the transaction, then the matter should be referred to the Police. A criminal conviction in such a case should not eliminate the public debt which has arisen from the unauthorised payment and therefore the recovery of the unauthorised payment should be pursued by any means available.</p> <p>In the event where the Council is unable to implement part 1 and 2 above, then consideration should be given to retrospective approval of the payments schedule subject to full Council approval and a business case.</p> <p>Implications: Please refer to recommendations 4 and 6 that may cross implications for addressing recommendation number 19.</p>	1		
20	Should the Council require a card in future then consideration should be given to the type of card, limits per transaction, overall limit of the card, procedures for the usage and cancellation in the event the card holder leaves. These changes should be considered to be incorporated within the Councils Financial Regulations and usage should be reported to the Council or committee as required.	1		
21	That a full review of the grants process is undertaken with a review of the grant forms, eligibility criteria, monitoring and evaluation and terms of publicity and acceptance of agreements. Grants payments to be made in advance of the event and not in arrears as it assists the applicant/organisations ability to deliver the event.	1		
22	That the Council carries out a full review of the VAT reclaims to eliminate the claims made for third parties. A voluntary declaration should be made to HMRC to confirm the reclaim of third-party invoices and any further necessary that may arise from this declaration which may include repaying the money back to HMRC.	1		

23	That the Council fully considers the risk management log (at least on an annual basis) identifying the risks, assessing the risks and introducing adequate controls measures with time limited actions to reduce the level of risk.	1		
24	That the Council undertakes a risk assessment for the post of Town Clerk and RFO for competency and legal purposes.	1		
25	That the Council introduces policies relevant to the authority to comply with the General Data Protection Regulations. The Society of the Local Council Clerks (SLCC) have a GDPR Checklist and model policies that the Council should consider adopting as required. Alternatively, the Council may wish to contact their local County Association for support.	1		
26	That a Risk Management Policy is introduced and adopted by the Council. The policy should outline processes involved in regards to risk assessments and the Councils internal controls procedure and responsibility for implementing the policy.	2		
27	That the Councils insurers are provided with a copy of the updated asset register and that the assets with the latest replacement values are insured [see section 9.98]	2		
28	That the Council considers a review of the accounting software to assess if it effective to manage the Councils accounts and supports the preparation and management of accounts and budget reports that should be produced from the accounting package. It is important that key documents are produced from the Councils primary records and not manually produced and presented to committee or Council.	1		
29	That the Council follows each stage of the budget process as referenced within the Governance and Accountability guide when it considers the budget setting for 2021/22. Each expenditure budget should be supported by accurate information and on realistic spending assumptions. Where the Council introduces new budgets or expenditure then it should be supported by a robust business case. The accounting package may be able to produce detailed budget reports which refer to the previous year's budgets and actuals, as well as showing carry forwards giving a revised budget and the current years budget and actuals.	1		
30	That the Council considers adopting a General Reserve policy, with the level appropriate to their size and situation and plan their budget so as to ensure that the adopted level is maintained. The recommended general reserve is between 3-6 months of net revenue expenditure.	1		

31	That effective management controls are introduced by the RFO for the recovery of services rendered/good supplied which may include generating sales invoices. Any changes to the income controls should be set out in the Councils Financial Regulations.	2		
32	That consideration is given to introducing a petty cash float. The management and controls for the petty cash should be incorporated within the Councils Financial Regulations.	2		
33	That attempts are made to retrieve the payroll data for the last three financial years for HMRC purposes. The employer is responsible for retaining the records which provide evidence that accurate deductions and payments have been made.	1		
34	In the event where the payroll records cannot be retrieved or replaced and are lost, stolen or destroyed, the Council should make a declaration to HMRC to inform them of this. Further guidance on this is available on the .gov website: https://www.gov.uk/pay-for-employers/keeping-records	1		
35	That all staff contracts are reviewed to ensure they are up to date and are approved by the Council and signed by the postholder. The Council should have regards to the NALC model contract of employment for Parish and Town Council employees. The National Salary Award lists the new pay scales for clerks and other employees employed under the terms of the model contract including SCPs 50 and above.	1		
36	That the Council considers outsourcing the payroll to an independent payroll provider to ensure that the payroll is administrated correctly including pension deductions. Addressing the payroll would strengthen the payroll controls as it would provide a segregation of duties for the Town Clerk/RFO.	1		
37	That the Council consider introducing an Employee Appraisal Policy which sets out the annual review and appraisal of all employees. The review and appraisal should be reported in writing and subject to a resolution of the Personnel Committee.	2		
38	No changes should be made to any employees pay, emoluments or terms and conditions of employment with the prior consent of the Council or committee and subject to an annual appraisal, formal job evaluation or business case.	2		
39	In the event changes are made to an employee's salary, the Council or committee should ensure that the change to the salary costs are confirmed by a resolution of the Council on an annual basis and documented.	2		
40	That improvements are made to the Asset Register to include a reference number for each individual item, the purchase cost, the replacement cost for insurance purposes,	1		

	custodian/responsible officer and details of disposal (if applicable) to be recorded in a disposals register.			
41	That a full review is undertaken of all Council purchases (fixed assets) and that the asset register is updated to include all fixed assets purchased by the Council from the 01 April 2018 to 31 March 2019.	1		
42	That the updated asset register is forwarded to the Councils insurers to confirm that all Council assets are insured at their replacement value.	1		
43	That the Council arranges an annual inspection of the asset register items to ensure that all items listed can be physical verified and subsequently reported to the Finance Committee or Council.	1		
44	That the Council introduces an Asset Register Policy which outlines the procedure for updating and maintaining the register, and to include a particular method of asset valuation to be applied consistently from year to year in accordance with the recommended practices set out in the Governance and Accountability for smaller authorities. The method of asset valuation adopted should be set out within the policy approved by the Council and recorded in the minutes and in the asset register.	1		
45	Where the Council is operating with two separate bank accounts, a separate bank reconciliation should be performed and carried out for each individual bank account on a regular basis with a breakdown of any unrepresented/unreconciled bank entries.	1		
46	Bank reconciliations should be submitted to the Finance and Management committee on a regular basis for review. The Committee should review the bank reconciliation statement together with the original bank statement. A member other than a cheque signatory should be appointed to verify the bank reconciliation statement for all accounts (produced by the RFO), to be verified and initialled as approved in the presence of committee members and formally minuted.	1		
47	That a separate bank reconciliation is carried out for each separate bank account held by the Council for yearend purposes in addition to providing a summarised reconciliation statement of balances.	1		
48	That the accounting statements in the AGAR are fully reviewed and supported by working papers showing the detail of the accounts and that creditors and debtors are shown on the accounts where required. Detailed guidance on the preparation of the accounts is set out from page 61 in the practitioner's guide 'Reporting on an income and expenditure basis'.	1		

That the Council considers a review of the accounting software to assess if it effective to manage the Councils accounts and supports the preparation of year-end financial reporting including double entry book keeping and reversing journals.

1

Recommendation Priority Level Indicator & Risk Category

(1) HIGH

(2) MEDIUM

(3) LOW

Fundamental weaknesses that represent a serious risk to the control systems and that require immediate attention.

The weaknesses identified are not of a fundamental nature but are significant as they represent a risk to the control system area assessed.

Suggested improvements to the level of existing controls in place that are not exposed to significant weaknesses.

37

11

1

11. Appendix B - Internal Audit Definition of Assurance Levels

We have defined our assurance levels to assist members of Morecambe Town Council to understand the assessment that has been applied to our conclusions. In applying the most appropriate level of opinion, we have used our professional judgement based on the results of the audit, consideration of risk and consequences of areas of weaknesses for the organisation.

Assurance Levels		Definition	Assessment
POSITIVE	SUBSTANTIAL	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Consistent application of internal controls.
	REASONABLE	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Some evidence of non-compliance that may put the objectives at risk.
NEGATIVE	LIMITED	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Significant evidence of non-compliance that puts the objectives at risk.
	NONE	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Fundamental failure and significant evidence of non-compliance that leaves the objectives at serious risk that requires immediate action.

Priority Level Indicators [To support the Categorisation of Recommendations]

We have prioritised the recommendations having considered the impact of the risk for the relevant internal control area we assessed.

(1) HIGH	(2) MEDIUM	(3) LOW
Fundamental weaknesses that represent a serious risk to the control systems and that require immediate attention.	The weaknesses identified are not of a fundamental nature but are significant as they represent a risk to the control system area assessed.	Suggested improvements to the level of existing controls in place that are not exposed to significant weaknesses.

12. Appendix C - Review of Expenditure Transactions

OBJECTIVE	To review the expenditure transactions to provide a level of assurance if the payment has complied with the Financial Regulations.													
METHODOLOGY:	We reviewed 232 expenditure transactions that had been extracted from Scribe Accounting System. The reference voucher number refers to the entry that was assigned to the payment entry recorded on the accounting system.													
COMPLIANCE:	<p>The payments process is summarized in four key stages. It is repeated that this is a summary of the payments process and should not be substituted as the Financial Regulations.</p> <ol style="list-style-type: none"> 1) In the absence of committee and officer delegation; the Council is responsible for authorizing payments on expenditure items in advance of the Council entering into contracts [FR 3.1] 2) Following authorization, an official order or letter is issued for all work, goods and services or if appropriate a contract. Order books are controlled by the RFO [FR 10]. 3) On receipt of goods and services, the invoice is received for payment. The RFO is responsible for examining the invoice and coding to the appropriate expenditure heading to be presented in a schedule of payments to the Finance and Management committee for review. The committee is then required to make a recommendation to full Council for approval and payment [FR 6.6] 4) A cheque is raised. The details of the payment are required to be shown on the cheque or order for payment with the counterfoil and invoice or similar documentation. The signatories are required to initial the cheques. [FR 5.4] Detailed arrangements for direct debits payments are set out in FR 6.5. <p>We reviewed each individual expenditure transaction to confirm if each stage of the Financial Regulations had been complied with. The results were then used to provide a level of assurance for the transaction the payment related to</p> <table border="1"> <thead> <tr> <th>Stage 1 (S1) Authorisation Ref</th><th>Stage 2 (S2) PO/ Contract/DD</th><th>Stage 3 Part 1 (S3) Budget</th><th>Stage 3 Part 2 (S3) Approval Min Ref</th><th>Stage 4 (S4) Cheque Initials</th></tr> </thead> <tbody> <tr> <td colspan="5"> <p><u>Bank Account 1: HSBC Money Market 'Cash' cashbook : Bank Account 2: HSBC Business Current 'HSBC Main'</u></p> <p>Bank Account Signatory x2 Signatures = Y - Yes x1 Signatures = P - Part x0 Signature = N - No</p> </td></tr> </tbody> </table>				Stage 1 (S1) Authorisation Ref	Stage 2 (S2) PO/ Contract/DD	Stage 3 Part 1 (S3) Budget	Stage 3 Part 2 (S3) Approval Min Ref	Stage 4 (S4) Cheque Initials	<p><u>Bank Account 1: HSBC Money Market 'Cash' cashbook : Bank Account 2: HSBC Business Current 'HSBC Main'</u></p> <p>Bank Account Signatory x2 Signatures = Y - Yes x1 Signatures = P - Part x0 Signature = N - No</p>				
Stage 1 (S1) Authorisation Ref	Stage 2 (S2) PO/ Contract/DD	Stage 3 Part 1 (S3) Budget	Stage 3 Part 2 (S3) Approval Min Ref	Stage 4 (S4) Cheque Initials										
<p><u>Bank Account 1: HSBC Money Market 'Cash' cashbook : Bank Account 2: HSBC Business Current 'HSBC Main'</u></p> <p>Bank Account Signatory x2 Signatures = Y - Yes x1 Signatures = P - Part x0 Signature = N - No</p>														
Assurance:	The assurance levels are set out in Appendix B of the report.													

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
1	04/04/2018	DD	Talk Talk Business	Telephone Bill	£31.17	£6.23	£37.40	Budget Jan 2018?	D/D	Telephone	17-May-18	N	N	C
2	04/04/2018	101272	Mark McKenna	Morecambe In Bloom Presentation	£50.00	£0.00	£50.00	Nil	Nil	Morecambe In Bloom	17-May-18	N	N	M
3	05/04/2018	DD	Grenkeleasing	Photocopier Hire	£247.20	£49.44	£296.64	Budget Jan 2018?	Nil	Photocopier Charges	17-May-18	N	N	M
4	16/04/2018	101277	Speeder Limited	Toilets (coin box replacement)	£1,262.00	£252.40	£1,514.40	Nil	Nil	Toilets Management	17-May-18	N	N	M
5	19/04/2018	101279	Community Information Service	Festivals Advertising (1/d page advert space in BID Lancaster	£395.00	£79.00	£474.00	Budget Jan 2018?	Nil	Festivals	Nil	N	N	M
6	17/04/2018	101280	Website UK	Website GDPR Update	£150.00	£30.00	£180.00	Nil	Nil	Website	17-May-18	N	N	M
7	30/04/2018	DD	MB Digital	Photocopier Hire (March 2018)	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	17-May-18	N	N	M
8	02/05/2018	DD	Talk Talk Business	Telephone Bill	£30.66	£6.13	£36.79	Budget Jan 2018?		Telephone	19-Jul-18	N	N	M
9	19/04/2018	DD	Morecambe TC - LCC 6510017204	Pension Contributions	£867.86	£0.00	£867.86	TC 19-Jan 2012	Nil	Salaries	17-May-18	NA	L	M
10	21/04/2018	SO	Morecambe TC	Salaries	£2,798.47	£0.00	£2,798.47	FR 7	Nil	Salaries	17-May-18	N	L	M
11	23/04/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges - unpaid item	£27.70	£0.00	£27.70	Nil	Nil	Bank Charges	17-May-18	N	N	M
12	25/04/2018	Visa	Direct 365	Toilet roll holders and soap	£686.75	£137.35	£824.10	Nil	Nil	Toilets Management	17-May-18	N	N	M
13	25/04/2018	Visa	Morecambe TC - Lancaster City Council	NNDR Toilets	£828.00	£0.00	£828.00	Nil	Nil	Toilets Management	17-May-18	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
14	08/05/2018	Visa	Larch Cottage Nurseries	Purchase of Plant for Morecambe in Bloom project	£202.72	£8.16	£210.88	Nil	Nil	Poulton	19-Jul-18	N	N	C
15	16/05/2018	101281	Morecambe TC - A Fawcett	Car Mileage	£42.51	£0.00	£42.51	Nil	Nil	Salaries	19-Jul-18	P	N	M
16	16/05/2018	101282	Website UK	Website Charges - domain renewal	£150.00	£30.00	£180.00	Nil	Nil	Website	19-Jul-18	P	N	M
17	16/05/2018	101283	Morecambe TC - Lancaster City Council	Anti-social behaviour contribution	£14,000.00	£0.00	£14,000.00	Budget Jan 2018?	Nil	ASB	19-Jul-18	N	N	M
18	16/05/2018	101283	Morecambe TC	Environmental Enforcement Funding	£12,500.00	£0.00	£12,500.00	Budget Jan 2018?	Nil	Environmental Enforcement	19-Jul-18	P	N	M
19	16/05/2018	Visa	13 The Warehouse	Purchase of poppies	£9.00	£0.00	£9.00	Nil	Nil	Morecambe In Bloom	19-Jul-18	N	N	M
20	16/05/2018	Visa	Post Office	Postage and Community Event	£13.09	£0.00	£13.09	Nil	Nil	Postage, Printing, Stationary	19-Jul-18	N	N	M
21	16/05/2018	Visa	Post Office	Postage and Community Event	£6.38	£0.00	£6.38	Nil	Nil	Postage, Printing, Stationary	19-Jul-18	N	N	M
22	20/05/2018	Bank Debit	Morecambe TC	Bank Charges	£19.90	£0.00	£19.90	Nil	Nil	Bank Charges	19-Jul-18	N	N	C
23	21/05/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	19-Jul-18	N	L	M
24	18/05/2018	DD	Morecambe TC - LCC 6510017496	Pension Contributions	£867.86	£0.00	£867.86	TC 19-Jan 2012	Nil	Salaries	19-Jul-18	NA	L	M
25	04/06/2018	101284	Deco Publique	Street Art - Artist Fee	£2,122.00	£424.40	£2,546.40	Nil	Nil	Arts Council Grant	19-Jul-18	P	N	M
26	04/06/2018	101285	Morecambe BID CIC	Festival Advertising - Morecambe BID - Contribution	£2,000.00	£0.00	£2,000.00	51 (1) TC 11-Oct-2018	Nil	Festivals	19-Jul-18	P	N	M

				to Town Leaflet printing										
No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
27	04/06/2018	101286	SR Brown Ltd	Toilets - Coin box replacement	£218.84	£43.77	£262.61	Nil	Nil	Toilets Management	19-Jul-18	P	N	M
28	04/06/2018	101287	Royal Mail Group Ltd	Royal Mail License	£97.00	£19.40	£116.40	Nil	Nil	Neighbourhood Plan	19-Jul-18	P	N	M
29	04/06/2018	101288	Lancaster City Council	Office Rent	£962.50	£0.00	£962.50	Nil	Nil	Town Council Office Rent	19-Jul-18	P	N	M
30	04/06/2018	101290	Nice and Sleazy	Nice and Sleazy Festival	£3,000.00	£0.00	£3,000.00	TC - 21-Sept-2017	Nil	Festivals	19-Jul-18	P	L	M
31	04/06/2018	101292	More Together Magazine	More Together Grant	£496.25	£0.00	£496.25	01/09/2016?	Nil	S137 Expenditure	19-Jul-18	P	N	M
32	06/06/2018	DD	Talk Talk Business	Telephone Bill	£31.41	£6.28	£37.69	Budget Jan 2018?	Nil	Telephone	19-Jul-18	N	N	M
33	30/05/2018	DD	MB Digital	Photocopier Hire - April copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	19-Jul-18	N	N	M
34	11/06/2018	101291	Morecambe Fringe	Morecambe Fringe Festivals	£2,000.00	£0.00	£2,000.00	TC - 21-Sept-2017	Nil	Festivals	19-Jul-18	P	L	M
35	13/06/2018	Visa	Bare Post Office	Book of 12 2nd Class stamps	£6.96	£0.00	£6.96	Nil	Nil	Postage, Printing, Stationary	19-Jul-18	N	N	M
36	19/06/2018	Visa	Timpsons	Toilet keys	£13.00	£0.00	£13.00	Nil	Nil	Toilets Management	19-Jul-18	N	N	M
37	19/06/2018	DD	Morecambe TC	Pension Contributions - LCC 6510017781	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	19-Jul-18	NA	L	M
38	20/06/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£12.80	£0.00	£12.80	Nil	Nil	Bank Charges	19-Jul-18	NA	N	M
39	26/06/2018	101294	Bucket and Spade Marketing	Newsletter 1st Edition - Extra pages edition 2	£300.00	£60.00	£360.00	Nil	Nil	Newsletter	19-Jul-18	P	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
40	26/06/2018	101293	Scribe2000	Accounts Package	£385.00	£77.00	£462.00	Nil	Nil	Accountancy and Audit	19-Jul-18	P	N	M
41	26/06/2018	101295	Lancaster City Council	Room Hire and Postage	£269.00	£12.60	£281.60	Nil	Nil	Hire of Rooms (Meetings)	19-Jul-18	P	N	M
42	26/06/2018	101295	Lancaster City Council	Postage and Community Event	£8.47	£0.00	£8.47	Nil	Nil	Postage, Printing, Stationary	19-Jul-18	P	N	M
43	26/06/2018	101295	Lancaster City Council	Room Hire NP Steering Group	£173.60	£11.52	£185.12	Nil	Nil	Neighbourhood Plan	19-Jul-18	P	N	M
44	21/06/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	19-Jul-18	NA	L	M
45	27/06/2018	Visa	Morecambe BID CIC	Poppies	£25.00	£0.00	£25.00	Nil	Nil	Morecambe In Bloom	20-Sep-18	N	N	M
46	28/06/2018	101296	Global Radio	Morecambe Bonfire Festival Grant	£1,500.00	£300.00	£1,800.00	2017?	Nil	Festivals	Nil	P	N	M
47	28/06/2018	101297	Morecambe FC	Deposit for MIB Presentation Evening 2018	£208.33	£41.67	£250.00	Nil	Nil	Morecambe In Bloom	20-Sep-18	P	N	M
48	04/07/2018	101298	Lancaster Military Heritage	Armed Forces Day 2018	£1,000.00	£0.00	£1,000.00	Nil	Nil	S137 Expenditure	20-Sep-18	P	N	M
49	19/07/2018	101299	Morecambe TC	HMRC Quarterly Payments	£2,189.62	£0.00	£2,189.62	FR 7	Nil	Salaries	20-Sep-18	P	L	M
50	04/07/2018	DD	Grenkeleasing	Photocopier Hire	£247.20	£49.44	£296.64	Budget Jan 2018?	Nil	Photocopier Charges	20-Sep-18	N	N	M
51	05/07/2018	Visa	Dayex Ltd	Chairs for Rainbow Centre	£1,811.80	£362.36	£2,174.16	21 (1) 17-May-2018	Nil	Deprivation Support	20-Sep-18	N	L	M
52	06/07/2018	Visa	Travis Perkins	Wood for Library Planters	£342.58	£68.51	£411.09	28 June 2018?	Nil	Morecambe In Bloom	20-Sep-18	N	N	M
53	09/07/2018	DD	Talk Talk Business	Telephone Bill	£29.45	£5.89	£35.34	Budget Jan 2018?	Nil	Telephone	20-Sep-18	N	N	M
54	06/07/2018	Visa	Screwfix	Fixtures for planters at Library	£63.69	£12.73	£76.42	Nil	Nil	Morecambe In Bloom	20-Sep-18	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
55	19/07/2018	101300	Bucket and Spade Marketing	Newsletter 2nd Edition - Extra Space in the View	£300.00	£60.00	£360.00	Nil	Nil	Newsletter	20-Sep-18	P	N	M
56	-	-	-	-	£0.00	£0.00	£0.00	-	-	-	-	-	-	-
57	29/06/2018	DD	MB Digital	Photocopier Hire - May Copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	20-Sep-18	N	N	M
58	29/06/2018	DD	Cannon Hygiene	Toilet Cleaning	£35.00	£7.00	£42.00	Nil	Nil	Toilets Management	20-Sep-18	NA	N	M
59	19/07/2018	Visa	Travis Perkins	Library Planters	£124.88	£24.98	£149.86	Nil	Nil	Morecambe In Bloom	20-Sep-18	N	N	C
60	19/07/2018	DD	Morecambe TC - LCC 6510018086	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012		Salaries	20-Sep-18	NA	L	C
61	21/07/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	20-Sep-18	NA	L	M
62	31/07/2018	DD	MB Digital	Photocopier Hire - June copying charges	£47.32	£9.46	£56.78	Nil	Nil	Photocopier Charges	20-Sep-18	N	N	M
63	31/07/2018	DD	Cannon Hygiene	Toilet Cleaning	£585.00	£117.00	£702.00	77 (4a) 15/03/2018	Nil	Toilets Management	20-Sep-18	NA	L	M
64	01/08/2018	Visa	GLS Educational Supplies	Stationary	£65.64	£13.13	£78.77	Nil	Nil	Postage, Printing, Stationary	20-Sep-18	N	N	M
65	20/07/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£14.84	£0.00	£14.84	Nil	Nil	Bank Charges	20-Sep-18	NA	N	M
66	01/08/2018	Visa	Rymans	Stationary	£19.95	£3.99	£23.94	Nil	Nil	Postage, Printing, Stationary	20-Sep-18	N	N	M
67	02/08/2018	101303	Screwfix - R Dennison	Plants and fixings for library project	£14.32	£1.66	£15.98	Nil	Nil	Community Garden Fund	20-Sep-18	P	N	M
68	02/08/2018	101304	Poppyscatter	Silent soldiers	£300.00	£0.00	£300.00	Nil	Nil	Community Garden Fund	20-Sep-18	P	N	M
69	02/08/2018	101305	Bay Camera and	Supply and installation of	£250.00	£50.00	£300.00	Nil	Nil	Toilets Management	20-Sep-18	P	N	M

			Communicatio ns	new lock for toilets										
No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
70	02/08/2018	101306	Morecambe Fringe	Fringe Festival Grant	£3,025.00	£0.00	£3,025.00	Nil	Nil	Festivals	20-Sep-18	P	N	M
71	02/08/2018	101307	Hannah Holmes	Station Artwork	£50.00	£0.00	£50.00	Nil	Nil	Station Grant	20-Sep-18	P	N	M
72	02/08/2018	DD	Talk Talk Business	Telephone Bill	£34.67	£6.93	£41.60	Budget Jan 2018?	Nil	Telephone	20-Sep-18	N	N	C
73	09/08/2018	101308	Royal Mail Group Ltd	Postal Charges - Neighbourhood plan	£44.84	£8.97	£53.81	Nil	Nil	Neighbourhood Plan	20-Sep-18	P	N	M
74	09/08/2018	101309	Yorkshire Internal Audit Services	Internal Audit - Final audit visit 2017/2018	£330.00	£0.00	£330.00	Nil	Nil	Accountancy and Audit	20-Sep-18	P	N	M
75	15/08/2018	101310	Torrisholme Church	Room Hire and Postage	£25.00	£0.00	£25.00	Nil	Nil	Hire of Rooms (Meetings)	20-Sep-18	P	N	M
76	15/08/2018	101311	Petalos	Morecambe In Bloom Presentation Evening	£14.00	£0.00	£14.00	Nil	Nil	Station Grant	20-Sep-18	P	N	M
77	17/08/2018	DD	Morecambe TC - LCC 6510018395	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	20-Sep-18	NA	L	M
78	19/08/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£12.40	£0.00	£12.40	Nil	Nil	Bank Charges	20-Sep-18	NA	N	C
79	21/08/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	20-Sep-18	NA	L	C
80	16/08/2018	Visa	Post Office	Postage stamps	£6.96	£0.00	£6.96	Nil	Nil	Postage, Printing, Stationary	20-Sep-18	N	N	C
81	22/08/2018	101312	Lancaster City Council	Room Hire and Postage	£116.00	£0.00	£116.00	Nil	Nil	Hire of Rooms (Meetings)	20-Sep-18	N	N	M
82	22/08/2018	101312	Lancaster City Council	Room Hire and Refreshments	£258.60	£16.92	£275.52	Nil	Nil	Neighbourhood Plan	20-Sep-18	N	N	M
83	22/08/2018	101312	Lancaster City Council	Room Hire and Refreshments	£56.00	£5.40	£61.40	Nil	Nil	Morecambe In Bloom	20-Sep-18	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
84	05/09/2018	Visa	Morecambe Hotel	Morecambe in Bloom NWIB Judging	£81.30	£16.20	£97.50	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	M
85	30/08/2018	DD	MB Digital	Photocopier Hire - July copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	20-Sep-18	N	N	C
86	10/09/2018	101313	Lancaster City Council	Office Rent	£962.50	£0.00	£962.50	Nil	Nil	Town Council Office Rent	15-Nov-18	N	N	M
87	10/09/2018	101314	More Music	Catch the Wind Festival 2018	£4,000.00	£0.00	£4,000.00	Sept 2017 TC	Nil	Festivals	15-Nov-18	N	L	M
88	10/09/2018	101315	Paul Cocker	Morecambe in Bloom Judging	£40.00	£0.00	£40.00	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	M
89	04/09/2018	DD	Talk Talk Business	Telephone Bill	£28.62	£5.72	£34.34	Budget Jan 2018?	Nil	Telephone	15-Nov-18	N	N	C
90	10/09/2018	101314	More Music	West End Festival Grant 2018	£1,500.00	£0.00	£1,500.00	Nil	Nil	Festivals	15-Nov-18	N	N	M
91	10/09/2018	Visa	Ebay	Frames - Community Awards	£99.15	£0.00	£99.15	Nil	Nil	S137 Expenditure	15-Nov-18	N	N	C
92	05/10/2018	101316	Morecambe FC	Morecambe in Bloom Presentation	£1,062.42	£204.58	£1,267.00	Nil	Nil	Morecambe In Bloom	15-Nov-18	P	N	M
93	05/10/2018	101317	Bucket and Spade Marketing	Newsletter 3rd Edition	£1,300.00	£260.00	£1,560.00	Budget Jan 2018?	Nil	Newsletter	15-Nov-18	N	N	M
94	18/10/2018	101318	Mark McKenna	Morecambe in Bloom Presentation	£150.00	£0.00	£150.00	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	M
95	18/10/2018	101319	Zurich	Insurance	£735.89	£0.00	£735.89	43 (8) 20-Sept-2018	Contract	Insurance	15-Nov-18	P	R	M
96	18/10/2018	101320	North West In Bloom	North West in Bloom Tickets x5	£135.00	£0.00	£135.00	11/10/18 ?	Nil	Morecambe In Bloom	15-Nov-18	P	N	M
97	18/10/2018	101321	Maxigene Environmental Services	Dome toilets risk assessment	£150.00	£30.00	£180.00	32 (6) 19-July-2018	Nil	Toilets Management	15-Nov-18	P	L	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
98	09/10/2018	101322	Royal Mail Group Ltd	Royal Mail License	£2.71	£0.54	£3.25	Nil	Nil	Neighbourhood Plan	15-Nov-18	P	N	M
99	09/10/2018	101323	The Exchange Creative Com	Make My Day Festival	£3,000.00	£0.00	£3,000.00	Sept 2017 TC	Nil	Festivals	15-Nov-18	P	L	M
100	09/10/2018	101324	Classic Engravings	Morecambe in Bloom Presentation	£154.17	£30.83	£185.00	Nil	Nil	Morecambe In Bloom	15-Nov-18	P	N	M
101	09/10/2018	Visa	Beststickers	Morecambe in Bloom Schools	£11.40	£0.98	£12.38	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	M
102	12/10/2018	Visa	Post Office	Postage and Community Event	£8.36	£0.00	£8.36	Nil	Nil	Postage, Printing, Stationary	15-Nov-18	N	N	C
103	19/09/2018	DD	Morecambe TC - LCC 6510018705	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	15-Nov-18	NA	L	M
104	19/09/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£11.83	£0.00	£11.83	Nil	Nil	Bank Charges	15-Nov-18	NA	N	M
105	20/09/2018	Visa	MJ Framing	Frames - Community Awards	£50.00	£0.00	£50.00	Nil	Nil	S137 Expenditure	15-Nov-18	N	N	C
106	21/09/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	15-Nov-18	NA	L	M
107	20/09/2018	Visa	Asda	Refreshments - Community Awards	£10.00	£0.00	£10.00	Nil	Nil	S137 Expenditure	15-Nov-18	N	N	C
108	28/09/2018	DD	MB Digital	Photocopier Hire - August copying charges	£25.92	£5.18	£31.10	Nil	Nil	Photocopier Charges	15-Nov-18	N	N	M
109	18/09/2018	Visa	Rymans	Card - MIB	£15.82	£3.16	£18.98	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	C
110	03/10/2018	DD	Grenkeleasing	Photocopier Hire	£247.20	£49.44	£296.64	Budget Jan 2018?	Nil	Photocopier Charges	15-Nov-18	N	N	M
111	04/10/2018	DD	Talk Talk Business	Telephone Bill	£23.45	£4.69	£28.14	Budget Jan 2018?	Nil	Telephone	15-Nov-18	N	N	M
112	15/10/2018	Visa	Home Bargains	Bulbs for Schools MIB	£4.15	£0.83	£4.98	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	C
113	15/10/2018	Visa	West End Discounts	Tubs for Schools MIB	£26.92	£0.00	£26.92	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	C

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
114	16/10/2018	Visa	Home Bargains	Compost and Bulbs - Schools MIB	£10.37	£2.07	£12.44	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	C
115	16/10/2018	Visa	Homebase	Bulbs for Schools MIB	£19.75	£0.00	£19.75	Nil	Nil	Morecambe In Bloom	15-Nov-18	N	N	C
116	-	-	-	-	£0.00	£0.00	£0.00	-	-	-	-	-	-	-
117	19/10/2018	DD	Morecambe TC - LCC 6510019009	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012		Salaries	15-Nov-18	NA	L	M
118	20/10/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£20.22	£0.00	£20.22	Nil	Nil	Bank Charges	15-Nov-18	NA	N	M
119	22/10/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7		Salaries	15-Nov-18	NA	L	M
120	29/10/2018	101325	Morecambe TC	HMRC Quarterly Payments	£2,032.73	£0.00	£2,032.73	FR 7		Salaries	15-Nov-18	N	L	M
121	29/10/2018	101326	Bucket and Spade Marketing	Remembrance Sunday Flyers	£180.00	£36.00	£216.00	Nil	Nil	Centenary Remembrance	15-Nov-18	N	N	M
122	29/10/2018	101328	Danfo UK Ltd	Toilets - fitting new toilet roll handles/dispensers and repairs	£738.00	£147.60	£885.60	Nil	Nil	Toilets Management	15-Nov-18	N	N	M
123	29/10/2018	101329	KTD	Computer antivirus and microsoft office renewal	£706.00	£141.20	£847.20	Nil	Nil	IT Systems Security	15-Nov-18	N	N	M
124	29/10/2018	101330	Morecambe TC - Lancaster & Morecambe Deaf Children's Society	Lancaster and Morecambe Deaf Society Community Grant	£500.00	£0.00	£500.00	Nil	Nil	S137 Expenditure	15-Nov-18	N	N	M
125	31/10/2018	DD	MB Digital	Photocopier Hire - Sept copying charges	£34.92	£6.98	£41.90	Nil	Nil	Photocopier Charges		N	N	M
126	06/11/2018	DD	Talk Talk Business	Telephone Bill	£23.45	£4.69	£28.14	Budget Jan 2018?	Nil	Telephone	17-Jan-19	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
127	07/11/2018	101331	WEL Medical Ltd	Purchase of Defibrillator	£494.95	£98.99	£593.94	Nil	Nil	Deprivation Support	17-Jan-19	N	N	M
128	07/11/2018	101332	Maxigene Environmental Services	Legionella Monitoring	£60.00	£12.00	£72.00	32 (6) 19-July-2018	Nil	Toilets Management	17-Jan-19	N	L	M
129	15/11/2018	101333	Royal British Legion	Poppy Wreath	£100.00	£0.00	£100.00	Budget Jan 2018?	Nil	S137 Expenditure	17-Jan-19	N	N	M
130	12/11/2018	Visa	Marshalls Self Drive Ltd	Remembrance weekend van hire	£233.33	£46.67	£280.00	January 2018?	Nil	Centenary Remembrance	17-Jan-19	N	N	C
131	12/11/2018	Visa	Bowling Green Petrol Station	Remembrance weekend van hire	£8.75	£1.75	£10.50	July 2018?	Nil	Centenary Remembrance	17-Jan-19	N	N	C
132	15/11/2018	101334	Wise Ups Workshop	Remembrance weekend community entertainment	£100.00	£0.00	£100.00	Nil	Nil	Centenary Remembrance	17-Jan-19	N	N	M
133	15/11/2018	101335	The Gadabouts Band - A Hindle	Remembrance weekend community entertainment	£300.00	£0.00	£300.00	Nil	Nil	Centenary Remembrance	17-Jan-19	N	N	M
134	21/11/2018	DD	Morecambe TC - LCC 6510019317	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012		Salaries	17-Jan-19	NA	L	M
135	21/11/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£23.72	£0.00	£23.72	Nil	Nil	Bank Charges	17-Jan-19	NA	N	M
136	20/11/2018	Visa	PlaceChanger Ltd	Placechangers Subscription	£70.00	£14.00	£84.00	Nil	Nil	Neighbourhood Plan	17-Jan-19	N	N	M
137	21/11/2018	101336	J and P Gates	Beacon for Remembrance Sunday	£1,940.00	£0.00	£1,940.00	Nil	Nil	Centenary Remembrance	17-Jan-19	N	N	M
138	21/11/2018	101337	Zest Publications	Morecambe Visitor Guide Entertainment	£395.00	£79.00	£474.00	Budget Jan 2018?		Festivals	17-Jan-19	N	N	M
139	21/11/2018	101338	Laissez Faire Ltd	Fringe Festival Grant	£5,025.00	£0.00	£5,025.00	Nil		Festivals	17-Jan-19	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
140	21/11/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	17-Jan-19	NA	L	M
141	23/11/2018	Visa	Lancaster Train Station	Rail Ticket to Manchester	£25.20	£0.00	£25.20	Nil	Nil	Training	17-Jan-19	N	N	C
142	29/11/2018	101339	Morecambe BID CIC	Christmas Lighting	£6,000.00	£1,200.00	£7,200.00	Budget - Jan 2019?	Nil	Christmas Lights	17-Jan-19	N	N	M
143	03/12/2018	DD	MB Digital	Photocopier Hire - October copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	17-Jan-19	N	N	M
144	05/12/2018	DD	Talk Talk Business	Telephone Bill	£23.45	£4.69	£28.14	Budget Jan 2018?	Nil	Telephone	17-Jan-19	N	N	M
145	12/12/2018	Visa	PlaceChanger Ltd	Placechangers Subscription	£35.00	£7.00	£42.00	Nil	Nil	Neighbourhood Plan	17-Jan-19	N	N	M
146	14/12/2018	101341	Morecambe 1940s Revival	Morecambe 1940a Revival	£500.00	£0.00	£500.00	51(a) 11-Oct-2018	Nil	Community Grants	17-Jan-19	N	L	M
147	13/12/2018	101342	Lancaster City Council	Office Rent	£962.50	£0.00	£962.50	Nil	Nil	Town Council Office Rent	17-Jan-19	N	N	M
148	14/12/2018	101343	Friends of Westgate School	Deprivation Grant	£84.16	£0.00	£84.16	21(1) 17-May-2018	Nil	Deprivation Support	17-Jan-19	N	L	M
149	14/12/2018	Not cashed	Royal British Legion	Poppy Wreath	-£100.00	£0.00	-£100.00	Nil	Nil	S137 Expenditure	refund	NA		C
150	14/12/2018	Not cashed	Purely Outdoors	Grants - 3rd Morecambe Scout	-£3.60	£0.00	-£3.60	Nil	Nil	Community Grants	refund	NA		C
151	14/12/2018	Not cashed	Strathmore Hotel	Function Food - Splendid	-£995.00	-£199.00	-£1,194.00	Nil	Nil	Festivals	refund	NA		M
152	17/12/2018	Visa	Morecambe TC	HMRC Quarterly Payments	£2,032.53	£0.00	£2,032.53	FR 7	Nil	Salaries	17-Jan-19	N	L	M
153	17/12/2018	Visa	Information Commissioner's Office	Annual Data Protection Fee	£40.00	£0.00	£40.00	Nil	Nil	IT Systems Security	17-Jan-19	N	N	M
154	17/12/2018	101344	Poppyscatter	Remembrance Sunday Piper	£50.00	£0.00	£50.00	July 2018?	Nil	Centenary Remembrance	17-Jan-19	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
155	19/12/2018	DD	Morecambe TC - LCC 6510019641	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	17-Jan-19	NA	L	M
156	20/12/2018	Bank Debit	Morecambe TC - HSBC	Bank Charges	£15.10	£0.00	£15.10	Nil	Nil	Bank Charges	17-Jan-19	NA	N	M
157	21/12/2018	SO	Morecambe TC	Salaries	£1,764.21	£0.00	£1,764.21	FR 7	Nil	Salaries	17-Jan-19	NA	L	M
158	31/12/2018	DD	MB Digital	Photocopier Hire - Nov copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	17-Jan-19	N	N	M
159	03/01/2019	DD	Talk Talk Business	Telephone Bill	£23.60	£4.72	£28.32	Budget Jan 2018?	Nil	Telephone	21-Mar-19	N	N	M
160	03/01/2019	Visa	PlaceChanger Ltd	Neighbourhood Planning	£35.00	£7.00	£42.00	Nil	Nil	Neighbourhood Plan	21-Mar-19	N	N	M
161	02/01/2019	Visa	Home Bargains	Stationary	£7.60	£1.52	£9.12	Nil	Nil	Postage, Printing, Stationary	21-Mar-19	N	N	M
162	07/01/2019	DD	Grenkeleasing	Photocopier Hire	£247.20	£49.44	£296.64	Budget Jan 2018?	Nil	Photocopier Charges	21-Mar-19	N	N	M
163	11/02/2019	101345	Decimal Places	Fringe Festival Grant	£3,000.00	£0.00	£3,000.00	Nil	Nil	Festivals	21-Mar-19	P	N	M
164	08/01/2019	101346	Asda	Remembrance Sunday Refreshments	£16.37	£0.00	£16.37	Nil	Nil	Centenary Remembrance	21-Mar-19	P	N	M
165	18/01/2019	101347	Lancaster City Council	Room Hire and Postage	£871.15	£57.63	£928.78	Nil	Nil	Hire of Rooms (Meetings)	21-Mar-19	N	N	M
166	11/02/2019	101348	Lancaster City Council	Toilet Repairs	£56.34	£11.27	£67.61	Nil	Nil	Toilets Management	21-Mar-19	N	N	M
167	11/02/2019	101349	Bucket and Spade Marketing	Newsletter 3rd Edition (design, print and distribution)	£1,300.00	£260.00	£1,560.00	Nil	Nil	Newsletter	21-Mar-19	N	N	M
168	17/01/2019	101350	More Music	Lantern Festival Grant	£1,500.00	£0.00	£1,500.00	51(a) 11-Oct-2018	Nil	Festivals	21-Mar-19	N	L	M
169	04/01/2019	Visa	ID Card Ltd	ID Badges	£6.00	£0.00	£6.00	Nil	Nil	Postage, Printing, Stationary	21-Mar-19	N	N	M
170	24/01/2019	Visa	Vistaprint	Business Cards YF	£25.97	£5.20	£31.17	Nil	Nil	Postage, Printing, Stationary	Nil	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
171	18/01/2019	DD	Morecambe TC - LCC 6510019918	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	21-Mar-19	NA	L	M
172	19/01/2019	Bank Debit	Morecambe TC - HSBC	Bank Charges	£11.10	£0.00	£11.10	Nil	Nil	Bank Charges	21-Mar-19	NA	N	M
173	05/02/2019	DD	Talk Talk Business	Telephone Bill	£23.58	£4.72	£28.30	Budget Jan 2018?	Nil	Telephone	21-Mar-19	N	N	C
174	31/01/2019	DD	MB Digital	Photocopier Hire - Dec copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	21-Mar-19	N	N	C
175	01/02/2019	Visa	Bee Bombs Ltd	Bee Bombs	£174.59	£0.00	£174.59	Nil	Nil	Morecambe In Bloom	Nil	N	N	C
176	11/02/2019	101351	Yorkshire Internal Audit Services	Internal Audit - 1st visit 2018/2019	£330.00	£0.00	£330.00	Nil	Nil	Accountancy and Audit	21-Mar-19	N	N	M
177	11/02/2019	101352	North West In Bloom	North West in Bloom entry 2019	£200.00	£0.00	£200.00	Nil	Nil	Morecambe In Bloom	21-Mar-19	N	N	M
178	11/02/2019	101353	Lancaster City Council	Morecambe in Bloom Judging - summer baskets, commemorative beds, MIB awards plant hire, gift vouchers	£1,498.33	£299.67	£1,798.00	Nil	Nil	Morecambe In Bloom	21-Mar-19	N	N	M
179	11/02/2019	101354	Friends of Westgate School	Deprivation Grant	£71.28	£0.00	£71.28	Nil	Nil	Deprivation Support	21-Mar-19	N	N	M
180	11/02/2019	101355	Lancaster City Council	Room Hire and Postage	£58.00	£0.00	£58.00	Nil	Nil	Hire of Rooms (Meetings)	21-Mar-19	N	N	M
181	11/02/2019	101356	See and Learn Resources	North Lancs Downsyndrom e Community Grant	£171.97	£0.00	£171.97	Nil	Nil	S137 Expenditure	21-Mar-19	N	N	C

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
182	21/01/2019	SO	Morecambe TC	Salaries	£2,470.19	£0.00	£2,470.19	FR 7	Nil	Salaries	21-Mar-19	NA	L	M
183	12/02/2019	101357	Website UK	Website Annual SSLC Certificate	£150.00	£30.00	£180.00	Nil	Nil	Website	21-Mar-19	N	N	M
184	12/02/2019	101358	PKF Littlejohn	External Audit	£600.00	£120.00	£720.00	Nil	Nil	Accountancy and Audit	21-Mar-19	N	N	M
185	11/02/2019	101353	Lancaster City Council	Commemorative Flower Beds	£3,755.00	£751.00	£4,506.00	Nil	Nil	Community Garden Fund	21-Mar-19	N	N	M
186	11/02/2019	101355	Lancaster City Council	Room Hire and Refreshments	£85.00	£5.40	£90.40	Nil	Nil	Neighbourhood Plan	21-Mar-19	N	N	M
187	19/02/2019	DD	Morecambe TC - LCC 6510020242	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	21-Mar-19	NA	L	M
188	19/02/2019	Bank Debit	Morecambe TC - HSBC	Bank Charges	£11.90	£0.00	£11.90	Nil	Nil	Bank Charges	21-Mar-19	NA	N	M
189	21/02/2019	Visa	TLC (Southern) Ltd	Purchase of Dummy Cameras	£10.90	£2.18	£13.08	Nil	Nil	Toilets Management	21-Mar-19	N	N	M
190	22/02/2019	Visa	Bee Bombs Ltd	Bee Bombs	£174.59	£0.00	£174.59	Nil	Nil	Morecambe In Bloom	Nil	N	N	M
191	22/02/2019	SO	Morecambe TC	Salaries	£2,470.19	£0.00	£2,470.19	FR 7	Nil	Salaries	21-Mar-19	NA	L	M
192	22/02/2019	Visa	Post Office	Postage stamps	£6.96	£0.00	£6.96	Nil	Nil	Postage, Printing, Stationary	21-Mar-19	N	N	M
193	22/02/2019	Visa	GLS Educational Supplies	Paper and Envelopes	£60.54	£12.11	£72.65	Nil	Nil	Postage, Printing, Stationary	21-Mar-19	N	N	M
194	28/02/2019	DD	MB Digital	Photocopier Hire - Jan copying charges	£29.17	£5.84	£35.01	Nil	Nil	Photocopier Charges	21-Mar-19	N	N	M
195	04/03/2019	Visa	Speeder Limited	Toilet Door Access System	£3,335.00	£667.00	£4,002.00	Nil	Nil	Toilets Management	Nil	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
196	06/03/2019	DD	Talk Talk Business	Telephone Bill	£23.45	£4.69	£28.14	Budget Jan 2018?	Nil	Telephone	Nil	N	N	M
197	08/03/2019	Visa	Zest Publications	Festival Advertising - Local Choice	£500.00	£100.00	£600.00	Budget Jan 2018?	Nil	Festivals	Nil	N	N	M
198	08/03/2019	Visa	Morrisons	Plaster for First Aid Box	£1.00	£0.00	£1.00	Nil	Nil	Postage, Printing, Stationary	Nil	N	N	M
199	11/03/2019	101359	Wise Ups Workshop	Community Grant - Wise Up Workshops	£500.00	£0.00	£500.00	65 (1) 17-Jan-2019	Nil	Community Grants	Nil	N	N	M
200	11/03/2019	101360	More Music	Room Hire - Public Meeting	£25.00	£0.00	£25.00	Nil	Nil	Hire of Rooms (Meetings)	Nil	N	N	M
201	11/03/2019	101361	Lancaster City Council	Vintage Festival Grant 2018	£16,000.00	£0.00	£16,000.00	51 (a) 11-Oct-2018	Nil	Festivals	Nil	N	N	M
202	11/03/2019	101362	Friends of Westgate School	Deprivation Grant	£81.18	£0.00	£81.18	21(1) 17-May-2018	Nil	Deprivation Support	Nil	N	N	M
203	11/03/2019	101363	Bucket and Spade Marketing	Festivals Advertising - Things to do in Morecambe	£400.00	£80.00	£480.00	Nil	Nil	Festivals	Nil	N	N	M
204	11/03/2019	Visa	Lancaster City Council	Office Rent	£962.50	£0.00	£962.50	Nil	Nil	Town Council Office Rent	Nil	N	N	M
205	13/03/2019	Visa	Glasdon UK	Planting Boxes	£308.10	£61.62	£369.72	Nil	Nil	Station Grant	Nil	N	N	M
206	14/03/2019	101364	Uniform and Leisureware Co	Environmental Enforcement Officer Uniform	£34.00	£6.80	£40.80	Nil	Nil	Postage, Printing, Stationary	Nil	N	N	M
207	14/03/2019	101365	A1 Short Course Training	First Aid Training	£79.98	£0.00	£79.98	Nil	Nil	Training	Nil	N	N	M
208	15/03/2019	101366	Lancaster City Council	CCTV Contribution	£5,000.00	£0.00	£5,000.00	43 (5) 20-Sept-2018	Nil	CCTV	Nil	N	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
209	19/03/2019	DD	Lancashire County Pension Fund	Pension Contributions	£581.56	£0.00	£581.56	TC 19-Jan 2012	Nil	Salaries	Nil	NA	L	M
210	21/03/2019	SO	Morecambe TC	Salaries	£3,113.55	£0.00	£3,113.55	FR 7	Nil	Salaries	Nil	NA	L	M
211	21/03/2019	101368	Tony Hayes Planning Limited	Neighbourhood Planning	£1,360.00	£272.00	£1,632.00	January 2019?	Nil	Neighbourhood Plan	Nil	P	N	M
212	21/03/2019	101367	More Music	Room Hire - Public Meeting re litter and dog fouling	£25.00	£0.00	£25.00	Nil	Nil	Hire of Rooms (Meetings)	Nil	P	N	M
213	21/03/2019	101367	More Music	Contribution to Community Garden Scheme	£500.00	£0.00	£500.00	Nil	Nil	Community Garden Fund	Nil	P	N	M
214	21/03/2019	Bank Debit	HSBC	Bank Charges	£7.10	£0.00	£7.10	Nil	Nil	Bank Charges	Nil	NA	N	C
215	21/03/2019	Visa	Lancaster City Council	Toilet Repairs	£65.69	£13.14	£78.83	Nil	Nil	Toilets Management	Nil	N	N	C
216	21/03/2019	101369	Danfo UK Ltd	Toilet Cleaning	£3,300.00	£660.00	£3,960.00	77 (4b) 15-Mar-2018	Nil	Toilets Management	Nil	P	N	M
217	21/03/2019	101370	Bryan Griffin	Remembrance weekend community entertainment	£50.00	£0.00	£50.00	July 2018?	Nil	Centenary Remembrance	Nil	P	N	M
218	22/03/2019	Visa	Morecambe TC	HMRC Quarterly Payments	£2,297.11	£0.00	£2,297.11	FR 7	FR 7	Salaries	Nil	N	L	C
219	26/03/2019	101371	Morecambe Homeless Action	Grants - Homeless Action	£500.00	£0.00	£500.00	33 (1) 19-July-2018	Nil	Community Grants	Nil	P	N	M
220	26/03/2019	101372	Morecambe Fringe	Festival Morecambe Fringe	£3,450.00	£0.00	£3,450.00	Sept 2017?	Nil	Festivals	Nil	P	N	M
221	-	-	-	-	£0.00	£0.00	£0.00	-	-	-	-	-	-	-
222	29/03/2019	101374	Maxigene Environmental Services	Legionella Monitoring	£60.00	£12.00	£72.00	32 (6) 19-July-2018	Nil	Toilets Management	Nil	P	N	M

No	Date	Trans Type	Payee	Description	Net	VAT	Total	(S1) Auth Ref	(S2) PO/ Contract/ DD	(S3) Budget	(S3) App Min Ref	(S4) Chq Intl	F R	A c
223	28/03/2019	101375	JPI Media Publishing	Toilet Cleaning Tender Advert	£190.00	£38.00	£228.00	Nil	Nil	Toilets Management	Nil	P	N	M
224	29/03/2019	101376	Gordon Pattison Ltd	Metal Doors for Toilets	£890.00	£178.00	£1,068.00	67 (7)17-Jan-2019	Nil	Toilets Management	Nil	P	N	M
225	29/03/2019	101377	Lancaster District Conservation	Grant - Conservation volunteers	£500.00	£0.00	£500.00	33 (1) 19-July-2018	Nil	Community Grants	Nil	N	N	M
226	29/03/2019	DD	MB Digital	Photocopier Hire - Feb copying charges	£22.00	£4.40	£26.40	Nil	Nil	Photocopier Charges	Nil	N	N	C
227	29/03/2019	101379	Lancaster City Council	Defibrillator fitting	£160.50	£32.10	£192.60	Nil	Nil	Deprivation Support	Nil	N	N	M
228	27/02/2019	Visa	WUK Media	Morecambe in Bloom Entry Forms on website	£200.00	£40.00	£240.00	Nil	Nil	Postage, Printing, Stationary	Nil	N	N	M
229	28/03/2019	Visa	Lancaster City Council	Room Hire and Refreshments	£85.00	£5.40	£90.40	Nil	Nil	Neighbourhood Plan	Nil	N	N	M
230	29/03/2019	101380	Morecambe BID CIC	Festival Advertising Morecambe BID £2,000 Printing contribution	£2,000.00	£0.00	£2,000.00	Nil	Nil	Festivals	Nil	N	N	M
231	29/03/2019	101381	Friends of Westgate School	Deprivation Grant - 4th stage payment	£126.72	£0.00	£126.72	21(1) 17-May-2018	Nil	Deprivation Support	Nil	N	N	M
232	29/03/2019	101380	Morecambe BID CIC	Planters for MIB - Planters contribution £3,500 + VAT	£3,500.00	£700.00	£4,200.00	Nil	Nil	Community Garden Fund	Nil	N	N	M
				Totals	£185,142.21	£9,169.16	£194,311.37							