

**A REPORT OF THE TOWN CLERK TO  
A MEETING OF THE AUDIT COMMITTEE  
MALVERN TOWN COUNCIL**

**to be held on Monday 18 November 2019**

**in the Town Council Offices, Belle Vue Terrace, Malvern, at 6.30 pm**

**INTERNAL AUDIT CONTRACT**  
**2019/20 TO 2021/22**

**1. Purpose of Report**

1.1. For decision.

**2. Recommendation**

2.1. Committee is asked to agree the extension of the current Internal Audit contract by a further three years to include the financial years 2019/20, 2020/21 and 2021/22.

**3. Background**

3.1. The work of the Internal Auditor forms an important part of the Council's Financial Procedures. Malvern Town Council is required to have an internal auditor who acts independently and on the basis of an assessment of risk, carries out a selective assessment of compliance with relevant procedures and controls which should be in operation during each financial year.

3.2. Assessment of the Council's system of internal control is required over ten specific control objectives and the Internal Auditor is then required to sign page 3 of the Annual Governance and Accountability Return to confirm the results of their work.

3.3. A review and tender of the Internal Audit contract took place in November 2017 and Boyds Chartered Accountants were appointed on a two-year contract with up to a further three years by negotiation.

3.4. The first two years of this contract have now been completed and the Town Clerk has approached the internal auditor to see if they would be agreeable to extend the contract by a further three years. Chris Boyd has confirmed that he is happy to be in a position to continue providing Internal Audit services for the remaining three years of the tendered period.

**4. Financial Implications**

4.1. A budget of £1,800 will need to be included in the budget for the next three years. This is a maximum cost as stated in the tender exercise. The cost of internal audit for 2018/19 was £1,650.

**5. Legal Implications**

5.1. The Accounts and Audit Regulations 2015 state that a council with income or expenditure over £200,000, but less than £6.5 million per annum is subject to an intermediate level review by the External Auditor. This includes the completion of an Annual Governance and Accountability Return as well as submission of an Internal Auditor's report.

- 5.2. The Accounts and Audit Regulation 2015 also state that a 'relevant' authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.

End

Linda Blake  
Town Clerk

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**REVIEW OF HOW TOWN COUNCIL INCOME IS INVOICED,  
COLLECTED AND REVIEWED**

**1. Purpose of Report**

- 1.1. For review and comment as necessary.

**2. Recommendation**

- 2.1. Committee is asked to assess the current procedures in place for the invoicing, collection and review of Town Council income.

**3. Background**

- 3.1. In June 2019, Committee set their work plan for 2019/20 and included a review of the income of Great Malvern cemetery, sports pitches and allotments, how it is invoiced, collected and reviewed.
- 3.2. Details of the current procedures are included in the points listed below.

Invoicing

- 3.3. An invoice processing checklist exists as a guide to when invoices need to be sent out for Town Council services.
- i. Funeral invoices are issued as and when funerals are booked. Three regular funeral directors operate on a monthly account basis; other funerals must be paid for before the date of the funeral. Invoices for memorial fees are issued as the applications are received.
  - ii. Sports pitch invoices are issued in August and December for football facilities and in April for rounders.
  - iii. Allotment invoices are issued in January of each year for the period nine months in arrears and three months in advance.

Collection of Income

- 3.4. Funeral directors who book services regularly are invoiced monthly with payment terms of 30 days being applied. If payment terms are not followed, officers will chase payment and place accounts on stop if necessary.
- 3.5. Invoices for other funeral directors and private bookings must be paid in advance of funeral date as this ensures that income is received.
- 3.6. Memorial application fees must be paid when the application is submitted.
- 3.7. Football facilities are paid for in two instalments during the year, with signed football contracts stating that payments must be made by 31 August and 31 December. Failure to pay football fees by these dates, results in the immediate suspension of games until the debt is paid.

- 3.8. Allotments invoices have a more complicated collection process which is as follows:
- i. Council policy states that a discount of 10% will be paid to all allotment holders who pay their invoices on or before 28 January, invoices being issued on 14 January.
  - ii. Any allotment holder who has not paid by 28 January will be issued a further invoice for the 10% previously discounted and be required to pay by 1 February.
  - iii. Any allotment holder who has still not paid by 1 February will be charged a late payment fee of £25 and will face termination of their contract if charges remain outstanding by 4 February.
- 3.9. Credit control measures are used during the allotment invoicing period, with Officers regularly sending reminders to those who have not paid.
- 3.10. All allotment holders are required to pay a tenancy deposit of £40, which is then held until they relinquish the plot subject to all tenancy terms having been observed. The main purpose of this deposit is to cover any outstanding allotment fees should a tenant leave without payment.

Review of charges

- 3.11. A copy of Town Council charges is attached at Appendix A to this report. The Council reviews the level of charges being applied for the cemetery, sports facilities and allotments each year as part of the Annual Budget Process.

**4. Financial Implications**

- 4.1. The level of charges set influences income projections for a year and is included in each annual budget.
- 4.2. Credit control procedures are used to ensure income is collected and the level of debt that can be written off is controlled by Standing Orders.

**5. Legal Implications**

- 5.1. The Accounts and Audit Regulations 5(1) states that a relevant authority must undertake an effective internal audit to evaluate its risk management, control and governance procedures.

End

Linda Blake  
Town Clerk

**ALLOTMENT HIRE CHARGES**

**SCALE OF FEES AND CHARGES 1 APRIL 2019 – 31 MARCH 2020**

<b>Goodwood Road and Knapp Way</b>	28.8p (per square metre)
Charge for plot of 125 square metres	£36.00
Charge for plot of 250 square metres	£72.00
No concessions available	

**GREAT MALVERN CEMETERY**

**SCALE OF CHARGES 1 APRIL 2019 – 31 MARCH 2020**

	Resident	Non-resident
<b>PURCHASE OF GRAVE SPACE</b>		
Persons under 5 years	No charge	No charge
Persons 5 years and over	£494	£988
<b>PURCHASE OF CREMATED REMAINS SPACE</b>		
Cremation plot	£176	£352
<b>INTERMENT IN UNPURCHASED GRAVE SPACE</b>		
Persons under 5 years	No charge	No charge
Persons 5 years and over	£546	£1092
Cremated remains	£215	£430
<b>INTERMENT</b>		
Persons under 5 years	No Charge	No Charge
Persons 5 years and over:		
Single depth	£348	£696
Double depth	£422	£844
Cremated remains	£176	£352
<b>RE-OPENING OF GRAVE</b>		
Single depth	£375	£750
<b>MISCELLANEOUS CHARGES</b>		
Use of Organist	£54	£108
Use of Chapel	£72	£144
As approved - the right to erect or place on a purchased grave a headstone without inclusive works	£115	£115
Transfer of any Right of Burial	£87	£174
Leave to scatter cremated remains including the right to insert bronze plaque in Garden of Remembrance or place approved vase less than 4cm on unpurchased grave	£140	£280

**SPORTS PITCHES**

**SCALE OF CHARGES 1 APRIL 2019 – 31 MARCH 2020**

	<b>Victoria Park, Lower Howsell, Dukes Meadow</b>	<b>Charges</b>
1.	<b>PITCH HIRE</b>	
	<b>Football (Senior)</b>	
	Home team games, per session	*£22.50
	Home team games, per season	£253.00
	<b>Football (Junior)</b>	
	Home team games, per session	*£9.25
	Home team games, per season	£114.50
	<b>Mini Soccer</b> (under 11 age group – 7-a-side football)	
	Home team games, per session	*£9.25
	Home team games, per season	£58.00
	<b>Rounders</b>	
	Per game (1.5 hours)	*£19.50
	10 games	£195.00
2.	<b>CHANGING ROOM/SHOWERS</b>	
	<b>Seniors</b>	
	Changing room/showers, per session	*£22.50
	Changing room/showers, per season	£250.00
	<b>Juniors and Mini Soccer</b>	
	Changing room/showers, per session	*£9.25
	Changing room/showers, per season	£100.00
<p><b>NB: All additional games including friendlies <u>and</u> training sessions will be charged at the session rate as shown.</b></p>		
<p>* VAT is charged on all single sessions.</p>		