

## **Tenterden Town Council**

### **Interim Internal Audit Report for the year ended 31 March 2018**

I am pleased to report to Members of the Tenterden Town Council (the "Council"), that I have completed my interim internal audit of the Council's records for the six-month period to 30 September 2017, following my audit visit on 30 October 2017.

Councillors should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor do I actively seek evidence of breaches of trust or statute, neglect or fraud, which may have taken place. It is the responsibility of the Councillors of the Council to guard against such events, but if during my audit testing such events are discovered I am duty bound to disclose such events to the Council.

I would like to take this opportunity to thank the Town Clerk, Mr Phil Burgess and Mrs Julie McCollum (Accounts Clerk) for their assistance given to me during my audit visits.

#### **Previous Audits:**

##### External Audit 2016-17

The external auditor, PKF Littlejohn LLP, signed off Section 3 of the Annual Return for the year ended 31 March 2017 on 27 September 2017. There were no matters raised by the Auditor.

##### Year-end Internal Audit 2016-17

There were no issues raised at the year-end to follow up. The Report was reviewed by the Internal Committee 29 August 2017 (Min 0080).

#### **Interim Internal Audit 2017-18:**

##### **Findings**

This visit concentrated on the payment of invoices and payroll arrangements linked to the accounting arrangements. Other areas included the new Committee Structure, website, banking and insurance arrangements.

Following my visit there are some observations I wish to bring to Members' attention. There is a separate template based on my Audit Plan with notes of my findings.

##### **Budgetary Controls:**

I have previously reported that the Council wanted to introduce the Participatory Budgeting concept once the Tent 1 monies had been received. The External Committee at its meeting held on 9 October 2017 were provided with a "fact sheet" for the participatory budgeting process, which was resolved subject to the addition of the public interest document and the newly agreed date for the first stage Public Meeting to be held on 17 January 2018. The Council, has set aside £165,000 specifically to help

smaller projects from the money received from the developers of the new housing estates around the town. The fund is called the Community Chest. The source of the Fund is the "capital receipts" derived from the sale of land owned by the Council and as such can ONLY be spent on "capital projects" that have a useful life of more than 1 year, hopefully many years. Any on-going revenue costs associated with the capital project will have to be funded from other sources. This important point has been added to the Factsheets.

### **Support to Voluntary Organisations:**

During my audit of the payments it came to my notice that the Council has been supporting various organisations effectively avoiding paying VAT on goods and services. This is illegal and must stop immediately. I have provided the Council staff with the names of the organisations that I found in my sample checks and they admitted that there were other similar instances, whereby the Council for whatever reason had purchased the goods and services in the Council's name (and thereby able to reclaim the VAT back), but had either before or after accepted a payment from the individual or organisation towards the cost of the goods and services. To account for this correctly if say the purchase price was £500 plus VAT and the organisation had contributed £250 (i.e. 50%), then the Council can ONLY claim back 50% of the VAT paid (i.e. on the 50% share of the payment made from Council funds). This also applies to grant money received by the organisation to purchase equipment as the grant money is the "organisations" NOT the Council's. I have provided the Town Clerk with the VAT advisory notices concerning this matter.

There is no way around this, the Council can only claim back VAT on payments made from the Council's funds including grants awarded to the Council.

### **Use of Capital Receipts:**

The Town Clerk has sought financial advice from NALC (Derek Kemp NALC National Accounts and Audit Adviser) concerning the use of "capital receipts" to fund some of the works identified in a schedule of works to replace/repair parts of the Town Hall structure. The NALC Adviser advised that "capital receipts" can only be used for the "acquisition or significant enhancement of new fixed assets and/or the repayment of the capital element of borrowing". He went on to say that "It is unlikely, without prior permission from the Secretary of State, that necessary repairs on the Town Hall (such as roof replacement) would be deemed to be capital."

The applicable Capital Accounting Regulations, are not for the faint hearted! In a previous life I and my staff at Swale BC had to deal with these regulations and interpret them. The Regulations are complex to understand and have been supplemented with Codes of Practice and Practitioner's Guides to help the "practitioners" to account for the capital expenditure and the funding of the expenditure correctly. I have sought advice from my former colleagues, who have provided me with an extract from the Reference Manual for Practitioners on this subject area.



The Manual describes category/definition of the capital spend, the recognition criteria (i.e. the future economic benefits or service associated with the spend and that the spend can be accurately measured). Quote *"These rules apply equally to initial expenditure incurred in acquiring an asset and to subsequent expenditure on existing assets"*. Another extract helping the Practitioner is as follows:

*"Repairs versus enhancements – most practitioners would certainly capitalise a complete resurfacing job but would not consider pot-hole filling as capital because the works allow a road to continue to be used as intended rather than extend its life"*

Even this example is open to different interpretations as one local authority may regard a resurfacing job say costing less than £100,000 to be a revenue cost, whereas another local authority may have a threshold of say £50,000 as the cut-off between revenue and capital costs. If the interpretation is consistently applied, then compliance with the Capital Regulations will be achieved.

I have no dispute about the "repair" element of the works on the Town Hall being a revenue cost. However, in my view the roof replacement is a significant enhancement, it will extend the useful life of the Town Hall for many years, providing *"future economic benefits and/or service potential"* to the local community of the Town Council. The cost of the works including any specific professional fees associated with a "stand-alone" contract to replace the roof can be easily identified, which would be added to the Asset Value of the Town Hall. In theory the value of the old roof should be written off the asset value of the Town Hall, but it is probably difficult to estimate this cost based on the existing value of the Town Hall within the Asset Register

THERE YOU HAVE IT ! The Council could still opt to seek the Secretary of State permission, which should be given in my view.

The Council will need to get a separate schedule of works drawn up solely relating to the roof replacement, which in my view should include the related chimney stack works as an integral part of the roof replacement. This does NOT include all the external works listed in the schedule of works.

#### **Other matters:**

##### Annual Return process for 2017-18

There are on-going discussions within JPAG (the Joint Panel on Accounting Guidance) on the form of the Annual Return and the administration of the Annual Returns for 2017-18. JPAG includes representation from the External Audit firms like PKF Littlejohn and from what I can gather from my PKF Littlejohn contact is that the next meeting of JPAG is scheduled for 24 October 2017 and one of the issues being discussed is the acceptance of "electronic" submission of the Annual Returns. As far as the Council is concerned the Annual Return approval arrangements will not change, it is about the sending out of the blank Annual Return forms and guidance and the submission of the completed Returns and associated papers to the External Auditor (PKF Littlejohn). All will be revealed by next March 2018.

Loan Agreement with St Michaels Village Hall

The Town Clerk advised me of the loan agreement with St Michaels Village Hall to allow them to take advantage of the time-limited grants they have been awarded for a replacement roof from Kent CC and Ashford BC. I understand the loan is up to £40,000 to be repaid over 15 years.

David J Buckett CPFA DMS

22 November 2017

<b>Tenterden Town Council</b> <b>INTERNAL AUDIT 2017-2018</b> <b>AUDIT PLAN WITH COMMENTS / FINDINGS</b>			
<b>Area</b>	<b>Item</b>	<b>Comments / Findings</b> Interim Audit 30 October 2017	<b>Comments / Findings</b> Final Audit XX April/May 2018
Previous Audits	<ul style="list-style-type: none"> <li>• Date of last External Audit Certificate</li> <li>• Comments if any</li> <li>• Publication on website.</li> </ul>	<p>Signed off 10 September 2017</p> <p>No comments</p> <p>Yes</p> <p>24 July 2017</p>	
	<ul style="list-style-type: none"> <li>• Date of last Internal Audit</li> <li>• Comments if any</li> </ul>		
	<ul style="list-style-type: none"> <li>• Review of any items outstanding from previous internal / external audit reports.</li> </ul>	No outstanding items	
Minutes	<ul style="list-style-type: none"> <li>• Scan of the minutes of the Council's meetings and the Finance Committee.</li> <li>• Localism Act 2011</li> <li>• General Power of Competence ?</li> <li>• Dispensations</li> <li>• S.40 LA&amp;A Act 2014 filming/recording</li> </ul>	<p>The new Committee Structure is settling in although the workloads of the Internal and External Committees may require refinement in due course. External has a larger work load with several "Focus Groups"</p> <p>YES Min 3081 – 26 June 2017</p> <p>YES, for the Budget/Precept discussions and prior to meetings as necessary</p> <p>Notices displayed at meetings and the Chairman of the meetings will advise all those attending the meeting that meetings are streamed live to the website.</p>	
Code of Conduct/ Acceptance of Office	<ul style="list-style-type: none"> <li>• Date adopted</li> <li>• Any changes in elected/co-opted members since last Audit ?</li> <li>• DPI's complete</li> <li>• DPI's on website or weblink</li> <li>• New Governance Compliance</li> </ul>	<p>17 Sept 2012</p> <p>None</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	



Standing Orders and Financial Regulations	<ul style="list-style-type: none"> <li>Have they been formally adopted and applied?</li> <li>Have any changes been made since they were adopted or the last audit?</li> <li>Have any changes been formally adopted by the Council?</li> <li>Updated re Procurement Regs 2015?</li> <li>Two signature rule still in place?</li> </ul>	<p>Annual Meeting 15 May 2017 (Min 3078), reviewed and adopted updated SO's and Fin Regs.</p> <p>No</p> <p>n/a</p> <p>Yes</p> <p>Yes</p>	
Risk Management	<ul style="list-style-type: none"> <li>Risk Assessments – Are they: <ul style="list-style-type: none"> <li>Carried out regularly?</li> <li>Adequate?</li> <li>Reported in the minutes?</li> </ul> </li> <li>Insurance cover – is it: <ul style="list-style-type: none"> <li>Appropriate/Adequate?</li> <li>LTA in place?</li> <li>Reviewed regularly?</li> <li>Fidelity Guarantee Cover £ (Balances + ½ Precept)</li> </ul> </li> <li>Internal controls – are they: <ul style="list-style-type: none"> <li>Documented?</li> <li>Adequate?</li> <li>Reviewed regularly?</li> <li>Statement of Internal Control?</li> </ul> </li> <li>Systems and Procedures – are they: <ul style="list-style-type: none"> <li>Documented?</li> <li>Adequate?</li> <li>Followed?</li> <li>Reviewed regularly?</li> </ul> </li> </ul>	<p>Good risk management in place. Regular physical checks by the Site Manager and Mtce. Team. The governance and accountability checks are done annually prior to completion of Annual Return. (Min 3647 – 3 April 2017)</p> <p>H&amp;S Audit – Recreation Grds., Millenium Grds. &amp; St Michaels Sports Field</p> <p>Tree Cycle Tree Care – contractor to review and carry out necessary works to make safe</p> <p>LTA in place until 22 April 2018 with Aviva via WPS Ins. Brokers Scheme + Farmers Policy for vehicles</p> <p>Yes</p> <p><b>Increased to £4.656m from 16 Aug 2016 following receipt of TENT monies.</b></p> <p>My audit testing gave assurance that internal controls were in place and working effectively.</p> <p>F&amp;GP Comm review regularly</p> <p>The financial system was changed from 1 April 2016.</p>	

Budgetary Controls	<ul style="list-style-type: none"> <li>Is the annual budgeting process reported and approved by the Council?             <ul style="list-style-type: none"> <li>Budget/Precept amounts minuted?</li> </ul> </li> <li>Is the actual performance against the budgets reported to the Council during the year             <ul style="list-style-type: none"> <li>Compare with Fin Regs?</li> </ul> </li> <li>Are significant variances explained in sufficient detail?</li> </ul>	<p>2017-18 Budget shown in the Qtrly Monitoring Reports</p> <p>The 2018-19 draft Budget is being prepared for the December 2017 meetings.</p> <p>Qtrly Budget Monitoring Reports for 2017-18, have been provided to the two main committees during the year to date and are on the website under the Finance page</p>	
Section 137 expenditure <b>£7.57 FOR 2017-18</b> (£7.42 FOR 2016-17)	<ul style="list-style-type: none"> <li>What is the cash limit for the year?</li> <li>Is a separate account/analysis kept?</li> <li>Has the cash limit been exceeded?</li> <li>Have the spending powers been properly used and Minuted?</li> </ul>	Only used for annual poppy donation and local charities	
Book-keeping	<ul style="list-style-type: none"> <li>Cashbook - is it:             <ul style="list-style-type: none"> <li>Fit for purpose?</li> <li>Up to date?</li> <li>Arithmetically correct?</li> <li>Balanced regularly?</li> </ul> </li> </ul>	<p>Rialtas Business Solutions (RBS) Omega Financial System from 1 April 2016.</p> <p>Reports from the RBS system greatly assisted the closure of the accounts and completion of Section 2 of the Annual Return.</p> <p>Capital Accounting – use of capital receipts Letter from the NALC National Accounts and Audit Adviser – Derek Kemp reported to the Internal Committee Min 0081 – 29 Aug 2017</p> <p><b>I DO NOT AGREE WITH HIS ADVICE - See Covering Report.</b></p>	

Petty Cash	• Has the amount of petty cash float been agreed?	£100 used mainly for office/meeting refreshments, postage and small refunds to staff.	
	• Are all petty cash entries recorded?		
	• Are payments made from petty cash fully supported by receipts / VAT invoices?		
	• Are petty cash reimbursements signed for?		
	• Is petty cash reimbursement carried out regularly?		
	• Is petty cash balance independently checked regularly		
Payroll	• <b>Who is on the payroll and are contracts of employment in place?</b>	8 staff not all full-time plus 1 seasonal maintenance staff to assist with the "Caretaker Scheme" for Ashford BC from Jan 2017.	
	• Who is the RFO?	Only seasonal staff	
	• Have there been any changes to the establishment during the year?	Town Clerk following CiLCA qualification Claire Gilbert – additional contracted hours	
	• <b>Have there been any changes to individual contracts during the year?</b>	Julie McCollum and Sharon Ratcliffe from April 2017	
	• Have new appointments and changes to contracts been approved and minuted?	Yes	
	• Do salaries paid agree with those approved by the Council?	Yes	
	• Have any ad-hoc payments or benefits been appropriately approved?	Yes, HMRC on-line audited and payroll signed off by a Cllr. including pension calculations.	
	• Have PAYE/NIC requirements been properly applied and accounted for?	No – Sage 50 payroll system	
	• Payroll outsourced?	LGPS for permanent staff	
	• <b>WORKPLACE PENSION IN PLACE?</b>		



Payments	<ul style="list-style-type: none"> <li>Are all payments recorded and supported by appropriate documentation?</li> <li>Are payments minuted?</li> <li>Review of DD's and SO's ?</li> <li>Has VAT been identified, recorded and reclaimed?</li> <li>Are items above a de minimus amount purchased competitively?</li> <li>Have internal control procedures been adhered to?</li> <li>Contracts: <ul style="list-style-type: none"> <li>What contracts exist?</li> <li>Compliance with SO's</li> <li>Have any new contracts or contract variations/extensions been awarded in the year?</li> <li>Procedures adopted for letting of contracts</li> <li>Have contract payments been made in accordance with the contract document?</li> </ul> </li> </ul>	<p>Based on sample checked – Yes</p> <p>Schedule of payments approved by the Internal Committee.</p> <p>Schedule of payments over £500 separately listed on the website per quarter. Last Qtr. July-Sept 2017.</p> <p>Not checked during this visit.</p> <p>4<sup>th</sup> quarter to 31 Mar 2017 received £8,166 1<sup>st</sup> quarter to June 2017 received £12,960 Claims offset by VAT collected on sales.</p> <p>Advice on claiming VAT on payments to Voluntary Organisations OR payments on behalf of Voluntary Organisations sent to the Town Clerk</p> <p><b>See covering Report</b></p> <p>Contracts not mentioned in earlier reports:- Belhart Cleaning Services Chubb – fire appliance checks, gas safety inspections at Town Hall AES Contracting – Grounds Mtce. Richard Harvey – PR consultancy</p> <p>Good system in place for obtaining quotes/tenders etc. and well reported.</p>	
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Receipts	<ul style="list-style-type: none"><li>• Are all receipts recorded correctly?</li><li>• Are all receipts promptly banked?</li><li>• Precept, CTSG and Sect 136 payments</li><li>• Are internal controls of cash adequate?</li><li>• Are invoicing arrangements adequate?</li></ul>	<p>Not checked this visit</p> <p>Not checked this visit</p> <p>Ashford BC payments checked</p> <p>Caretaker Scheme from 1 Nov 2016 to 31 March 2021 in conjunction with Ashford BC &amp; a similar scheme for some highway maintenance for a 3-year trial period with KCC from 1 Jan 2017 – Urban hedge/shrub Mtce Programme.</p> <p>Invoicing system in place for both regular hirers and adhoc hires. Includes shop rent.</p>									
Bank reconciliation	<ul style="list-style-type: none"><li>• What current/deposit accounts exist?</li><li>• FSCS aware and compliant?</li><li>• Are bank reconciliations regularly carried out for each account?</li><li>• Level of Balances to Precept ratio</li><li>• Are the cheque counterfoils, paying-in books and bank statements adequately referenced?</li><li>• When was the last review of the banking arrangements?</li><li>• Internet Banking/Corporate Card ?</li><li>• Signature review (Two signatures required?)</li><li>• Any PWLB loans ?</li></ul>	<p>As at 30 Sept 2017</p> <table><tr><td>Nat West Current a/c</td><td>£730,201</td></tr><tr><td>Santander Savings a/c</td><td>£1,905,503</td></tr><tr><td>Mayor's Charity a/c</td><td>£1,110</td></tr><tr><td>Nationwide 1yr fixed to Nov 17</td><td>£600,000 (Post Audit Note: renewed for another year)</td></tr></table> <p>CCLA Investment - £750,000 invested, this is treated as a Long-Term Investment and does not form part of the Bank Reconciliation.</p> <p>Reviewed as part of the discussion regarding the renewal of the Nationwide Investment, mentioned above.</p> <p>Barclaycard monthly spend up to £10k</p> <p>Reviewed in April 2017 due to staff changes, insurance company advised of the signing arrangements for the investments.</p> <p>None</p>	Nat West Current a/c	£730,201	Santander Savings a/c	£1,905,503	Mayor's Charity a/c	£1,110	Nationwide 1yr fixed to Nov 17	£600,000 (Post Audit Note: renewed for another year)	
Nat West Current a/c	£730,201										
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Nationwide 1yr fixed to Nov 17	£600,000 (Post Audit Note: renewed for another year)										

Assets and Asset Register (AR)	<ul style="list-style-type: none"> <li>Are all the material assets owned by the Council recorded in an AR ?</li> <li>Is the AR up to date?</li> <li>Basis of Asset Values?</li> <li>Are investments recorded?</li> <li>Are the valuations regularly reviewed?</li> <li>Does the AR show the insurance values ?</li> <li>Digital Photographic evidence?</li> <li>Is there a separate Inventory List of low value items (e.g. below the insurance excess levels) ?</li> </ul>	<p>To be checked for the Year-end Accounting Statements (Section 2 of the Annual Return)</p> <p>Cost or proxy cost</p> <p>CCLA investment</p> <p>n/a</p> <p>Yes</p> <p>No</p> <p>New equipment purchased due to the Caretaker Scheme and extended grounds maintenance including a "rugged tablet"</p> <p>Additional CCTV cameras and new Christmas lights</p>	
Year-end procedures Inc. Annual Return	<ul style="list-style-type: none"> <li>Does the Annual Return Statement of Accounts agree with the cashbook?</li> <li>Is there an audit trail from the financial records to the accounts?</li> <li>Have debtors and creditors been properly recorded?</li> <li>Date of approval of Annual Return</li> <li>Annual Return posted on website ?</li> <li>New governance compliance regime - refer to new Practitioners' Guide 2017</li> </ul>	<p>Year-end procedures to be checked at final audit</p> <p>2016-17 approved by full Council on 5 June 2017</p> <p>Mins 3067 &amp; 3068</p> <p>Yes, fully compliant with the new Regulations</p>	



Additional tests – (as necessary)	<ul style="list-style-type: none"> <li>• Computer systems: <ul style="list-style-type: none"> <li>○ The procedures for the backing up of computerised records</li> <li>○ Council owned PC/laptop ?</li> </ul> </li> <li>• Record keeping and the arrangements in place to store previous year's accounts etc.</li> <li>• Annual review of the effectiveness of Internal Audit inc. Appointment of IIA</li> <li>• Annual Statement of Internal Control</li> <li>• Website host and Webmaster</li> <li>• Website functionality/ up to date?</li> <li>• TRANSPARENCY CODE compliant ?</li> </ul>	<p>Kent IT Maintenance Ltd – IT Support and auto-backup off-site everyday (Min 3609 – F&amp;GP 9 Jan 2017), still in place.</p> <p>Done annually</p> <p>Template provide to the Town Clerk</p> <p>WebBox Digital providers of the website design Staff are the webmasters, primarily Clare Gilbert</p> <p>"ASK Claire?" Min 0064 – Internal Comm. 7 Aug 2017. Most enquiries come through the social media accounts.</p>	
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**Internal Committee 8<sup>th</sup> January 2018**  
**General Data Protection Regulations (GDPR)**  
**Agenda Item 9**

I have attached report from a recent workshop session I attended on the regulations which come into force in May 2018.

In preparation for these regulations it would be prudent to ensure that our data is properly encrypted (please see penultimate paragraph in report below for full details). The prices on this vary considerably between £40 and £219 per licence and I have asked our software provider to advise on the best upgrade option.

**Proposal: That the office PCs should be upgraded to incorporate the encryption facility**



Phil Burgess  
Town Clerk

Impact on Crime and Disorder	:	None
Impact on Bio-diversity	:	None
Budgetary Impact	:	Moderate

## **General Data Protection Regulations (GDPR) 2018**

### **Report on Workshop session 14.12.17**

The data protection act of 1998 is now almost 20 years old. It predates social media and offers little protection from modern cyber-crime.

The thrust of the new act (which comes into force May 2018) is to give individuals control over who has their data and what it is used for, and to prevent the selling on of data to different organisations.

The public will be able to enquire by means of a Subject Access Request (SAR) whether we hold data on them and they will also be able to ask that it be deleted.

We need to pre-empt these issues by having policies in place to indicate how we use residents' data and when we take enquiries from residents, through the web site contact page for instance, we need to provide them with details of how we might use the data and how long we will keep it.

A major new requirement of the act is the appointment of a Data Protection Officer. The DPO must be impartial and have expertise in data protection. Under the old act the clerk was the council's data controller. As this is no longer possible we will need to appoint an outside contractor. The session was run by Satswana Ltd who are one such contractor. KALC will advise us of alternative contractors.

In addition to training and advising on procedures, the DPO will assist with legal advice in the event of a data breach or a vexatious attack, and our insurers will insist on the appointment of a DPO. The cost to the council is likely to be £2000 per annum as our staffing level falls around the third-tier pricing for councils.

Encryption of data is a useful method of avoiding data breaches. Windows 10 pro has an application called "bit-locker" this encrypts data on the machine and renders it useless to data theft. Word documents, e-mails etc will still be able to be sent out unencrypted. An upgrade should be undertaken.

If we refer enquiries to ABC or KCC it is possible to encrypt the e-mail which passes between us and use a pre-agreed password for opening the other end. This will, of course, require co-operation from both the borough and county councils.

Phil Burgess 15.12.17



**Internal Committee 8<sup>th</sup> January 2018**

**Investment Policy**

**Agenda Item 10**

At a recent meeting a member of the public pointed out that the council had no written investment policy.

I would like to thank John Crawford for preparing the policy below. I have made some minor amendments.

The policy will be laid out in the Town Council's usual format and published on the web site.

**Proposal: That the attached policy should be adopted**



Phil Burgess  
Town Clerk

Impact on Crime and Disorder	:	None
Impact on Bio-diversity	:	None
Budgetary Impact	:	None

Tenterden Town Council (the council) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.

The council has an appointed Responsible Financial Officer and should liaise with independent financial advisers and Ashford Borough Council who have resources with skills and knowledge to guide the council to discharge its responsibilities.

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments 2010.

The Local Government Act 2003 states that a local authority may invest: - for any purpose relevant to its functions under any enactment - for the purpose of prudent management of its financial affairs.

The council defines its treasury management objective as “the management of the council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks.”

This strategy establishes formal objectives, policies, practices and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks.

The council’s investment priorities are:

1. The security of its reserves and capital
2. Maturity dates commensurate with need
3. The adequate liquidity of its investments
4. Optimum return on investment

The council’s investment duties are:

1. All investments to be made in sterling.
2. Investments to be spread over different providers where appropriate to minimise risk.
3. Any loans to local third parties provided to be fully risk assessed and written on commercial basis with clear loan covenant and security.
4. The council to monitor the risk of loss on investments by review of credit ratings on a regular basis.
5. The council to only invest in institutions of high credit quality – based on information from credit rating agencies (as defined).