

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 1</p> <p>LOW 15</p>	<p style="text-align: center;">Wouldham Parish Council</p> <p style="text-align: center;">INTERNAL AUDIT 2021-2022</p> <p style="text-align: center;">AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Wouldham Parish Council (the “Council”), that I have completed my year-end internal audit of the Council’s records for the twelve month period to 31 March 2022, following my audit visits and subsequent conversations on 12 April 2022.</p> <p>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.</p> <p>I would like to take this opportunity to thank the Clerk/RFO Ms Tina Miles for her assistance given to me during my audit visit.</p> <p>During my visit I advised the Clerk that this would be my last Internal Audit visit as I am proposing to wind-down my auditing work after the completion of the 2021-22 Year-end Audit season. It has been a pleasure working with the Council over the last 6 years, my first audit visit was in May 2016!</p>	
<p style="text-align: center;">Area</p>	<p style="text-align: center;">Item</p> <p>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p style="text-align: center;">Comments / Findings</p> <p style="text-align: center;">Year-end Audit 31 March 2022</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2020-21 • Comments if any • Publication on website. • Date of last Internal Audit • Comments if any • Review of any items outstanding from previous internal / external audit reports. 	<p>PKF Littlejohn signed off the AGAR 2019-20 on 2 Sept 2021, reported to Council 5 Oct 2021 Min 17.2</p> <p>n/a</p> <p>The Audit Report contained two “except for matters”, the first relating to the incorrect responses to the Trust Fund answers and the second referred to an error in the previous year’s figures for 2019-20 concerning an internal transfer of £10,000 inflating the income and expenditure figures reported.</p> <p>Conclusion of Audit Notice and Section 3 posted on the website.</p> <p>13 April 2021 Internal Audit Report was published on the website as part of the AGAR 2020-21 information.</p>

Minutes	<ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>The Council held Virtual Meetings via ZOOM from 6 Oct 2020 until the AGM held on 4 May 2021, when the Clerk advised Councillors that virtual meetings were no-longer legal. Initially, "face to face" meetings held at the Village Hall could not allow any public attendance, which had to continue via a Zoom Link provided by the Clerk. From August 2021 the public could attend in-person.</p> <p>The Council 11 Jan 2022 Min15.5 approved a new structure of sub-meetings of Committees to allow each "Committee" to make decisions and take responsibility for actions, reporting to full Council. "Cllr Bell stated that it was the intention that monies allocated in the budget will be devolved to the committees to enable swift action." "Cllr Parris clarified that each committee needed to appoint their own chair and suggested that the groups meet at least 2 weeks before the PC meeting so that notes can be included in the papers. Cllr Savaryn noted it needs to be decided how communication is made i.e meetings/email/virtual/phone. This will be included in the Terms of Reference"</p> <p>NB These Committees can only make decisions if properly convened as public meetings and the business conducted in a "face to face" format like the full Council Meetings. Who is going to "clerk" the meetings and produce the minutes? The Council has only one Clerk working 20 hours pw.</p> <p>Post Audit Note: The Clerk has since advised that the "committees" are likely to be changed to a "Working Group", which will allow the meetings to be held "virtually" if necessary BUT the Working Group can ONLY make recommendations to Council, they will NOT be able to make any decisions.</p>
Code of Conduct/ Acceptance of Office	<ul style="list-style-type: none"> • Date adopted • Any changes in elected/co-opted members since last Audit ? • DPI's complete • DPI's on website or weblink • New Governance Compliance • NEXT ELECTION ? 	<p>The information on Parish Councillors contained on the new website</p> <p>Cllr J Head resigned 3 August 2021 Min 17.3</p> <p>Ms Samantha Buchanan co-opted 5 Oct 2021 Min 5</p> <p>Mr Alexander McDermott co-opted 1 March 2022 Min 4</p> <p>8 Cllrs in post at 31 March 2022, DPIs linked to each Cllr details on the website by clicking on the name, which is not immediately obvious.</p> <p>May 2023</p>
Standing Orders and Financial Regulations	<ul style="list-style-type: none"> • Have they been formally adopted and applied? • Have any changes been made since they were adopted or the last audit? • Have any changes been formally adopted by the Council? • Virtual Meetings / Delegation to Clerk/RFO still in place ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Standing Orders and the Financial Regulations were reviewed in December 2020 and agreed by Council 2 February 2021 Min 17.2 Both documents are available on the website under "Policies"</p> <p>Not applicable</p> <p>Yes</p>

Risk Management

- **Risk Assessments** – Are they:
 - Carried out regularly?
 - Adequate?
 - Reported in the minutes?
 - **Inspections of play equipt etc if carried out by staff/Cllrs have they been trained, accredited?**
 - **ANNUAL REVIEW ?**
- Insurance cover – is it:
 - Appropriate/Adequate?
 - LTA in place?
 - Reviewed regularly?
 - Fidelity Guarantee Cover £ (Balances + ½ Precept)
- Internal controls – are they:
 - Documented?
 - Adequate?
 - Reviewed regularly?
 - **Statement of Internal Control (SIC)?**
- Systems and Procedures – are they:
 - Documented?
 - Adequate?
 - Followed?
 - Reviewed regularly?

H&S and Risk Management is a standing item on the Council Agenda.
Risk Assessment for Open Spaces reviewed and approved 18 Feb 2022, includes Play Equipt. inspections done monthly by Recreation Committee

Risk Assessments for Village Hall, Litter Picker and for Site Visits were re-issued in June 2020 incorporating covid-19 requirements. The Litter Warden risk assessment was reviewed in December 2020 when the new Warden started. The detailed risk assessments probably need reviewing and updated with the latest Covid position.
Risk Identification & Management Summary 2019 on the website needs to be reviewed and brought up to date.

A new 3-year Long-term Agreement with Zurich Municipal was approved - Council 3 Aug 2021 Min 17.2

£100,000

Statement of Internal Control considered at the Council meeting 27 April 2021 Min 2.1, which approved the AGAR 2020-21

There are various policies, procedures and Terms of Reference published on the website including the Standing Orders and Financial Regulations, under the Policies section of the website.

<p>Budgetary Controls</p>	<ul style="list-style-type: none"> • Is the annual budgeting process reported and approved by the Council? <ul style="list-style-type: none"> ○ Budget/Precept amounts minuted? ○ Review of All Reserves included as part of the Budget Setting Process? • Is the actual performance against the budgets reported to the Council during the year <ul style="list-style-type: none"> ○ Compare with Fin Regs? • Are significant variances explained in sufficient detail? • Ongoing Covid-19 implications ? 	<p>The Council held an Extra-ordinary Meeting on 11 January 2022 to discuss the Budget and Precept request for 2022-23. The subsequent Minutes are very detailed and summarise the comments for most of the individual budget headings, one of the benefits of holding a separate Council meeting purely for the Budget/Precept considerations.</p> <p>The Council approved a Budget Spend of £73,847 (£68,647 for 2020-21) and a Precept Requirement of £71,972 (£66,153 for 2021-22).</p> <p>The Tax Base increase for 2022-23 has resulted in a 2% reduction in a Band D Council Tax. Tax base 2021-22 = 994.34 for 2022-23 = 1102.91</p>
<p>Section 137 expenditure</p> <p>£8.41 FOR 2021-22 (£8.32 FOR 2020-21)</p>	<ul style="list-style-type: none"> • What is the cash limit for the year? • Is a separate account/analysis kept? • Has the cash limit been exceeded? • Have the spending powers been properly used and Minuted? 	<p>Not used</p>
<p>Book-keeping</p>	<ul style="list-style-type: none"> • Cashbook - is it: • Fit for purpose? • Up to date? • Arithmetically correct? • Balanced regularly? • Turnover above £200k pa ? Income & Expenditure basis of accounting? • Record keeping and the arrangements in place to store previous year's accounts etc. 	<p>Excel spreadsheet</p> <p>N/A</p>

<p>Petty Cash</p>	<ul style="list-style-type: none"> • Has the amount of petty cash float been agreed? • Are all petty cash entries recorded? • Are payments made from petty cash fully supported by receipts / VAT invoices? • Are petty cash reimbursements signed for? • Date of last petty cash reimbursement ? • Is petty cash balance independently checked regularly 	<p>N/A</p>
<p>Payroll</p>	<ul style="list-style-type: none"> • Who is on the payroll and are contracts of employment in place? • Who is the RFO? • Annual Appraisal in place ? • Have there been any changes to the establishment and/or changes to individual contracts during the year? • Members Allowances in place and paid via payroll system? • Have new appointments and changes to contracts been approved and minuted? • Do salaries paid agree with those approved by the Council? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>Nicky Grimes – Clerk/RFO is part-time and works 20 hrs pw left in Sept 2021, P45 inspected</p> <p>New Clerk Ms Tina Miles commenced on 1 September 2021</p> <p>Ms L Phillips - Litter Picker (3 Nov 2020 Min 16.1) 10hrs pw to include work in Peters Village.</p> <p>Payroll administration outsourced, with Thompson Elphick Ltd CA, Aylesford.</p> <p>New Clerk has opted-in to the NEST workplace pension – Pension Regulator has been advised, re-registration is due in May 2022.</p>

<p>Payments</p>	<ul style="list-style-type: none"> • Are all payments recorded and supported by appropriate documentation? • Are payments minuted? • Review of DD's and SO's ? • STAFF costs definition for inclusion in Box 4 for 2021-22, check parity for 2020-21 ? Currently includes salary, tax, NIC & Pension (employee & ers) + taxable benefits (home working allowance, broadband & phone allowance etc NOT incl. • Has VAT been identified, recorded and reclaimed? • Have internal control procedures been adhered to? • Contracts: <ul style="list-style-type: none"> ○ What contracts exist? ○ Compliance with SO's ○ Have any new contracts or contract variations/extensions been awarded in the year? ○ Procedures adopted for letting of contracts ○ Have contract payments been made in accordance with the contract document? 	<p>The Clerk provides a cashflow statement to every monthly Council meeting showing the previous months closing bank balances inclusive of the schedule of receipts, payments previously approved and payments to be approved providing an "Estimated" current account bank balance.</p> <p>Post Audit Note: The Clerk will ensure that the Monthly Finance Reports are posted to the Council's website and make reference to this in the Minutes, anyone reading the Minutes on-line will be made aware of the existence of the Finance Reports elsewhere on the website.</p> <p>EDF, Eon and Google Mail and EE office phone paid by DD</p> <p>Staff costs compliant with the definition.</p> <p>VAT refund for £1076 to 31 March 2021 received 25 May 2021. The VAT for 2021-22 to be claimed amounting to £1,226.</p> <p>Sample contracts in place during 2021-22 Thompson Elphick Ltd CA, Aylesford.- payroll services on-going Google – email service EDF – CCTV power supply Eon – street lights power supply EE – mobile phone KCS – stationary supplies Headlands – Grounds Mtce. SE Water – water supply to allotments</p>
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Receipts	<ul style="list-style-type: none"> • Are all receipts recorded correctly? • Are all receipts promptly banked? • Precept, CTSG and Sect 106 & CIL payments • Are income records inc allotments, burials, hirings adequate? • Are invoicing arrangements adequate? • Ongoing Covid-19 implications? 	<p>Precept 2021-22 = £66,153 Other income totalled £12,820 –</p> <p>Big Lottery Fund - £8,200 KCC Urban Cut - £723 KCC grant - £500 Food vans - £765 Field Rent - £370 Allotments managed by an Allotment Assoc. - £955 received in the year.</p>									
Bank reconciliation & PWLB Loans	<ul style="list-style-type: none"> • What current/deposit accounts exist? • Investment Strategy recommended where bank balances are in excess of £100k. FSCS aware ? • Are bank reconciliations regularly carried out for each account? • Level of Balances to Precept ratio • Are the cheque counterfoils, paying-in books and bank statements adequately referenced? • When was the last review of the banking arrangements? • Internet Banking/Corporate Card and if in place Financial Regs updated ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>Bank a/cs as at 31 March 2021</p> <table border="0"> <tr> <td>NatWest Current a/c (3176) =</td> <td>£69,270</td> <td></td> </tr> <tr> <td>Nationwide a/c (2026) =</td> <td>£0</td> <td>Account closed 10 June 2021 and transferred to NatWest a/c</td> </tr> <tr> <td>TOTAL</td> <td>£69,270</td> <td></td> </tr> </table> <p>The Council minutes for 1 June 2020 (Min 8 & 8.1) indicate the bank signatories are as follows:</p> <p>I would strongly recommend the Council to consider opening an online bank account with Unity Trust Bank, which allows for the Clerk to have “view & administration rights” only, whereas authorised Councillors would have “view and authorisation” rights. Many of my Clients have moved to Unity Trust for their everyday banking and have retained the “2-signature” rule within the authorisation arrangements, which requires two Councillors to log-in and authorise the payments. Unity Trust Bank has a “switch service” to transfer bank accounts. Ethical Banking Socially Responsible Business Banking UK (unity.co.uk)</p> <p>Bank account signatories - NatWest as at Council 4 May 2021 Min 8- Cllrs Head, Bell and Baker and Clerk (Nicky Grimes) Nationwide Bu Soc as at Council 4 May 2021 Min 8 – Clerk Nicky Grimes, Cllrs Baker and Savaryn to be added asap See above Account closed 10 June 2021 Council 7 Dec 2021 Min 15.6 the former Clerk, Mrs Grimes and Cllrs Adams & Head removed</p> <p>The new PWLB loan for the car park resurfacing stands at £25,501 as at 31 March 2022</p>	NatWest Current a/c (3176) =	£69,270		Nationwide a/c (2026) =	£0	Account closed 10 June 2021 and transferred to NatWest a/c	TOTAL	£69,270	
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<p>Assets and Asset Register (AR)</p>	<ul style="list-style-type: none"> • Are all the material assets owned by the Council recorded in an AR ? • Is the AR up to date? • Basis of Asset Values? • Are long-term investments recorded? • Are the valuations regularly reviewed? • Does the AR show the insurance values ? • Digital Photographic evidence? • Is there a separate Inventory List of low value items (e.g. below the insurance excess levels) ? 	<p>Wouldham PC owns and manages “the Common” and “the Recreation Ground”. The Village Hall, although owned by the Council is managed by the Village Hall Committee Charity.</p> <p>The Asset Register figure on the AGAR is £155,875 as at 31 March 2022 down from £165,108 (31 March 2021).</p> <p>The Asset Values assigned to items within the Asset Register are usually recorded as the original “purchase price” net of VAT. In 2010 many of the asset items were either not listed or not valued, this was corrected by using a “proxy value” based on the insurance policy values at the time. The asset values in the Asset Register DO NOT change during the life of the asset.</p> <p>The Council’s Asset Register does record the current insurance value against the major items listed that are insured. The insurance values will change from year-to year dependent on the valuations adopted by the Insurance Company, but these values will not reflect the “market value” of an asset as in the case of the Village Hall, which will based on the estimated “rebuild value”. Should the Council ever want to sell/dispose of an asset “best value” should be sought and if required such valuations can be shown in the Asset Register as a “memo item” only, which DO NOT alter the Asset Value declared on the AGAR Box 9.</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2021-22 AGAR Statement of Accounts agree with the cashbook? • Is there an audit trail from the financial records to the accounts? • Have debtors and creditors been properly recorded? • Date of approval of 2020-21 AGAR & Certificate of Exemption criteria met, exemption declared • PROOF of public rights provision during summer 2021 & website– AIAR ICOs • Public Inspection Period Minuted ? • New governance compliance regime - refer to new Practitioners’ Guide 2021 	<p>Accounting records checked against the figures to be used in the AGAR Statement of Accounts for 2021-22, including the Bank Reconciliation.</p> <p>The AGAR 2020-21 was approved by Council 27 April 2021 Min 2.1 & 2.3. The RFO had signed-off the Statement of Accounts on 13 April 2021</p> <p>Date of Announcement - 3 June 2021 Public Inspection period – 14 June to 23 July 2021 Evidence – Posting of Public Inspection papers prior to 14 June 2021</p> <p>Council 27 April 2021 Min 2.4, confirmation of exercise of public rights and posting to website.</p> <p>Extract from Detailed Instructions issued by PKF Littlejohn Publishing means inclusion on the authority’s website*. Publication on a notice board is not mandated but is good practice; Extract from Publication Requirements shown on Page 1 of the AGAR Form 3 It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.</p>

<p>Additional tests – (as necessary)</p>	<ul style="list-style-type: none"> • Computer systems: <ul style="list-style-type: none"> ○ The procedures for the backing up of computerised records ○ Council owned PC/laptop ? ○ Email security ○ Encryption of data? • Trust Funds/Charities – Charity Commission filing? • Annual review of the effectiveness of Internal Audit inc. Appointment of IIA • Website host and Webmaster and any changes? • Website functionality & accessibility (23 Sept 2020 deadline) NALC L09-18 • TRANSPARENCY CODE compliant especially for Exempt Authorities • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters inc DPO arrangements 	<p>One drive back-up is regarded as the main back-up of the Council's records and files, with a Memory Stick arrangement as a secondary back-up.</p> <p>The Council migrated to a new website platform provided by TEEC Ltd (myparishcouncil.co.uk) during the previous financial year. Councillor Mrs Jenny Head used to be the webmaster but this has passed to the Clerk who is responsible for the upload of content to the website.</p> <p>The website has a screen reader app and an accessibility app with icons on display in the top left hand corner of the screen.</p> <p>There is accessibility software built-in to the website and the Clerk checks that the documents posted to the website are compatible. There is a generic accessibility statement provided by the website designers.</p> <p>The website has a generic Privacy Policy, there should be a few more GDPR policies about personal information held by the Council etc. Cllrs have a generic gmail address eg jbloggswwpc@gmail.com</p>
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