

Risk Assessment

HIGH 0
MEDIUM 0
LOW 16

Wouldham Parish Council
INTERNAL AUDIT 2019-2020
AUDIT PLAN WITH COMMENTS / FINDINGS

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 six-month period to 31 March 2020, following my audit visit and subsequent conversations on 28 April 2020.

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 Clerk, Ms Nicky Grimes for her assistance given to me during my audit visit.

| Area | Item | Comments / Findings Annual Audit 28 April 2020 |
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| Previous Audits | <ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate • 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 2018-19 on 212 August 2019, reported to Council 1 Oct 2019 Min 17.2 n/a</p> <p>The only comment related to Assertion 7 on the Annual Governance Statement, which had been ticked "NO" instead of yes, hence no issues identified.</p> <p>Yes</p> <p>23 April 2019 Report was emailed to all Cllrs and comments and an action plan noted in the Min 11 – 4 Sept 2019</p> <p>I advised that the practice of sending audit reports and policies etc by email to Councillors and then getting Councillors to acknowledge that they had read them via signatures on a copy of the Reports/Policies etc is not sufficient to deem the items approved/seen by Council. The items need to be placed on the Council Agenda and a subsequent Minute confirming the Councils approval/adoption etc. The Clerk has revised her systems accordingly.</p> <p>Another matter highlighted was dedicated email addresses for Councillors to use solely for Parish Council business as part of the GDPR compliance.</p> |



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| | <ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • Localism Act 2011 • General Power of Competence ? • Dispensations • S.40 LA&A Act 2014 filming/recording | <p>Scan of Minutes on website</p> <p>The April and May 2020 Council Meetings were cancelled due to the Covid-19 situation, but the Council held the AGM on 1 June 2020 in the Parish Office.</p> <p>N/A</p> <p>Highways Committee established Council 3 Dec 2019 Min 9.1</p> |
| | <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 Council had a contested Election in May 2019, with 9 nominations for 8 seats.</p> <p>Cllr Humberstone co-opted Council 5 Nov 2019 replacing Cllr Harrison who had resigned. Cllr s Rimmington co-opted Council 3 March 2020 Min 2 replacing Cllr Jukes who had resigned</p> <p>The information on Parish Councillors contained on the new website is excellent and includes a link to the DPI's.</p> |
| | <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? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? | <p>The Council reviewed the Standing Orders – 9 May 2019 Min 16.10</p> <p>Standing Orders and Financial Regulations reviewed and adopted Council 2 July 2019 Min 7.2</p> |



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| | <ul style="list-style-type: none"> • Risk Assessments – Are they: <ul style="list-style-type: none"> ○ Carried out regularly? ○ Adequate? ○ Reported in the minutes? ○ ANNUAL REVIEW ? • Insurance cover – is it: <ul style="list-style-type: none"> ○ Appropriate/Adequate? ○ LTA in place? ○ Reviewed regularly? ○ Fidelity Guarantee Cover £ (Balances + ½ Precept) • Internal controls – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Reviewed regularly? ○ Statement of Internal Control (SIC)? • Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? | <p>ROSPA annual inspection of playgrounds</p> <p>The Council reviewed and adopted the Risk Assessments - Council 2 July 2019 Min 7.2</p> <p>Insurance cover is provided by Zurich Municipal – current policy runs from 9 Sept 2019 to 9 Sept 2020. Last year of the 3-year LTA</p> <p>£100,000</p> <p>System of Internal Controls reviewed for 2018-19 as part of the AGAR approval process – Council 9 May 2019 Min 16.2</p> <p>Social Media Policy adopted - Council 2 July 2019 Min 7.2</p> |
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| | <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? • 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? | <p>Extraordinary Meeting held 14 Jan 2020 to discuss the Budget and Precept for 2020-21</p> <p>Detailed list of spending proposals in the Minutes. Council approved an increase in the Precept for 2020-21 to £60,451, based on an approved Budget of £62,545 (Min 3). This represented a 3% increase for a Band D property. The actual cash increase in the Precept is close to 30%, but that is due to the increase in the Tax Base in Peters Village.</p> |
| <p>£8.12 FOR 2019-20 (£7.86 FOR 2018-19)</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 in 2019-20</p> |
| | <ul style="list-style-type: none"> • Cashbook - is it: <ul style="list-style-type: none"> ○ Fit for purpose? ○ Up to date? ○ Arithmetically correct? ○ Balanced regularly? | <p>Excel spreadsheet</p> |

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| | <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? • Is petty cash reimbursement carried out regularly? • Is petty cash balance independently checked regularly • Who is on the payroll and are contracts of employment in place? • Who is the RFO? • Have there been any changes to the establishment during the year? • Have there been any changes to individual contracts during the year? • Have new appointments and changes to contracts been approved and minuted? • Do salaries paid agree with those approved by the Council? • Have any ad-hoc payments or benefits been appropriately approved? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE | <p>N/A</p> <p>Clerk is part-time and works 20 hrs pw</p> <p>Litter Picker – 8 hrs pw paid the National Living Wage as discussed in the Budget Meeting 14 Jan 2020 Min 3</p> <p>Payroll administration out-sourced, reviewed by Council 9 May 2019 (Min 16.6) decided to continue with Thompson Elphick Ltd CA, Aylesford.</p> |
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| | <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 2019-20, check parity for 2018-19 ? 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? • Are items above a de minimus amount purchased competitively? • 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 Council meeting showing the opening bank balances plus schedule of receipts, payments previously made and payments to be approved = Estimated bank balances.</p> <p>EDF, Eon and Google Mail paid by DD</p> <p>Staff costs compliant with the definition.</p> <p>VAT Claimed – 1 Oct 2018 to 30 April 2019 - £536 1 May 2019 to 30 June 2019 - £13,843 1 July 2019 to 31 Jan 2020 - £2,861</p> <p>Thompson Elphick Ltd CA, Aylesford.- payroll services CW Surfacing – car park resurfacing contract (£64,339) Google – email service EDF – CCTV power supply Eon – street lights power supply</p> |
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|  | <ul style="list-style-type: none"> • Are all receipts recorded correctly? • Are all receipts promptly banked? • Precept, CTSG and Sect 136 payments • Are internal controls of cash adequate? • Are invoicing arrangements adequate? | <p>Allotment site managed by the Association BUT many plots not properly used (Min 11 – 2 July 2019)</p> <p>Council agreed to sell the Village Hall to the highest bidder 3 Sept 2019 Min 13 (£226,000)</p> <p>Council 3 March 2020 Min 12.1 agreed an increase in the Horse Field rent of £50.</p> |
|  | <ul style="list-style-type: none"> • What current/deposit accounts exist? • FSCS aware and compliant? • 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 ? • Signature review (Two signatures required?) • Any PWLB loans ? | <p>Cllr Gray volunteered to sign-off the bank statements each month- Council June 2019 Min 17.1</p> <p>NatWest Current a/c (3176) – £11,438 Nationwide a/c (2026) - <u>£20,458</u> TOTAL - £31,896</p> <p>Clerk working on updating bank mandate with NatWest Post Audit Note: - 1 June 2020 Council agreed NatWest – Cllrs Head, Bell, Baker and Nicky Grimes (Clerk) Nationwide – Nicky Grimes (Clerk) to add Cllr Bell</p> <p>Council agreed to draw down a £50,000 PWLB loan for car park resurfacing 9 May 2019 Min 17</p> |

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|  | <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 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>Approval to purchase another laptop for the Clerk Council 3 Dec 2019 Min 18.2 (£529)</p> <p>Council 14 Jan 2020 Min 14 The Council noted that Mr Alan Bacon has been appointed to manage the new Village Hall project, which is the responsibility of the Village Hall Management Committee NOT the Council. I understand there have been delays due to the purchaser of the old Village Hall and secondly the dealings with the Charity Commission.</p> <p>Allotments – Council to seek advice from TMBC on registering the Allotments as a Community Asset – Council 3 Dec 2019 Min 12.1</p> <p>Possible CCTV in the Village - Council 14 Jan 2020 Min 15</p> |
|  | <ul style="list-style-type: none"> • Does the 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 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2019 & website– AIAR ICO L • New governance compliance regime - refer to new Practitioners' Guide 2019 | <p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2019-20, including the Bank Reconciliation.</p> <p>Council approved AGAR 2018-19 on 9 May 2019 – Min 16.3 & 16.4</p> <p>Date of Announcement - 1 June 2019 Public Inspection period – 17 June to 26 July 2019 Evidence – Screen prints from the EiS website provided by the Clerk shows upload to the website completed on 10 May 2019</p> |

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| <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? • Record keeping and the arrangements in place to store previous year's accounts etc. • Annual review of the effectiveness of Internal Audit inc. Appointment of IIA • Annual Statement of Internal Control • Website host and Webmaster • Website functionality & accessibility NALC L09-18 • TRANSPARENCY CODE compliant ? • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters | <p>Memory Stick arrangement for back-up.</p> <p>One drive back-up as a secondary back-up.</p> <p>Council advised of demise of the EiS website platform next year Sept 2020, Council 1 Oct 2019 Min 17.2 The Council has migrated to a new website platform provided by TEEC Ltd (myparishcouncil.co.uk). Cllr Jenny Head has worked hard to get the migration sorted out with the website provider.</p> <p>The website has a screen reader app and a generic accessibility statement. The Clerk is aware of the website Accessibility Regulations and there is accessibility software built-in to the website and the Clerk checks that the documents posted to the website are compatible.</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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