

<p>Risk Assessment</p> <p>HIGH 1</p> <p>MEDIUM 3</p> <p>LOW 12</p>	<p style="text-align: center;">Wouldham Parish Council</p> <p style="text-align: center;">INTERNAL AUDIT 2020-2021</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 2021, following my audit visit and subsequent conversations on 13 April 2021.</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, Mrs Nicky Grimes for their assistance given to me during my audit visit.</p>	
<p style="text-align: center;">Area</p>	<p style="text-align: center;">Item</p>	<p style="text-align: center;">Comments / Findings</p> <p style="text-align: center;">Year-end Audit 31 March 2021</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2019-20 • 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 18 Sept 2020, reported to Council 1 Oct 2019 Min 17.2 n/a</p> <p>The Audit Report was “qualified” due to the Clerk (as the RFO) not signing the Section 2 Statement of Accounts until “after” the Council Meeting approving the AGAR. It must be signed off by the RFO “before” the Council Meeting! Discussed by Council 6 Oct 2020 Min 17.4</p> <p>Conclusion of Audit Notice and Section 3 posted on the website around 7 Oct 2020</p> <p>30 July 2020 Internal Audit Report was emailed to all Cllrs and discussed by Council 6 Oct 2020 Min 17.3</p>

<p>Minutes</p>	<ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • Virtual Meetings ? • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>Due to covid-19 there was no meeting held in April and May 2020. There was a meeting between the Clerk, Chairman and Deputy Chairman on 1st June 2020. The Minutes posted to the website suggest the Meeting which started at 10am was the AGM followed by a Council Meeting which included the approval of the AGAR for 2019-20 with a note against each resolution “by 8th June by email, 7 members of the PC had read and agreed a) the Statement of Internal Control, the Annual Governance Statement 2019-20 and the Statement of Accounts 2019-20. The Meeting held in Parish Office with Clerk, Chair and V Chair was NOT quorate.</p> <p>The July 2020 Council Meeting was cancelled .</p> <p>Face to face meetings resumed in August 2020 held at Village Hall (4 August and 8 Sept 2020 only).</p> <p>Virtual Meetings via ZOOM from 6 Oct 2020</p> <p>The Agendas for the “virtual meetings” should have provided the access details to the “virtual meetings”. Instead, parishioners were invited to contact the Clerk to attend the Meetings. Clerk will correct for the next virtual meeting.</p>
<p>Code of Conduct/ Acceptance of Office</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>8 Cllrs at start of the year April 2020 Cllr Humberstone resigned 2 August 2020 (Council 4 August 2020 – Min 1)</p> <p>Mr M Savaryn co-opted 3 Nov 2020 although the appointment is mentioned at the start of the meeting it should form part of the “minutes with a minute reference.</p> <p>The information on Parish Councillors contained on the new website is excellent and includes a link to the DPI's, although this link is not easy to find. The Clerk to discuss with the “Webmaster” Cllr Head</p>
<p>Standing Orders and Financial Regulations</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? • Virtual Meetings / Delegation to Clerk/RFO re Covid -19 ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Standing Orders and Financial Regulations reviewed and adopted Council 2 July 2019 Min 7.2</p> <p>Fin Reg 1.14 discussed by Council 6 Oct 2020 Min 17.5 to reduce the financial delegation to committees from £5 to £2.5k before requiring Council approval.</p>

<p>Risk Management</p>	<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>Risk Assessments for Village Hall, Litter Picker and for Site Visits have been re-issued in June 2020 incorporating covid-19 requirements. The Litter Warden risk assessment was reviewed in December 2020 when the new Warden started.</p> <p>The Council reviewed and adopted the Risk Assessments - Council 2 July 2019 Min 17.2 This needs to be reviewed again prior to the approval of the Annual Governance Statement for 2020-21 to allow Cllrs to answer “yes” against the Assertion 5 . The Clerk advised that a new Risk Assessment schedule is being written to cover the whole Council in one Risk Assessment schedule.</p> <p>Zurich Municipal insurance policy approved for one more year following the end of the Long-term Agreement on 9 Sept 2020. (approved for Sept 2020 to Sept 2021 - Council 8 Sept 2020 Min 17.4)</p> <p>£100,000</p> <p>Statement of Internal control considered at the 1st June 2020 Council meeting (see earlier comment on Page 2)</p> <p>There are various policies and Terms of Reference published on the website including the Standing Orders and Financial Regulations.</p>
-------------------------------	---	---

<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? • 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? • Covid-19 implications ? 	<p>The Council held an Extra-ordinary Meeting on 12 January 2021 to discuss the Budget and Precept request for 2021-22. 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 £68,647 and a Precept Requirement of £66,153 for 2021-22.</p> <p>Covid-19 and the lockdowns have not had a significant financial impact on the Parish Council.</p>
<p>Section 137 expenditure</p> <p>£8.32 FOR 2020-21 (£8.12 FOR 2019-20)</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>Poppy Appeal only</p>
<p>Book-keeping</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>

<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 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 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</p> <p>Ms F Rance - Litter Picker – 8 hrs pw paid the National Living Wage as discussed in the Budget Meeting 14 Jan 2020 Min 3.</p> <p>Ms L Phillips appointed as the new litter picker (3 Nov 2020 Min 16.1) following the resignation of Ms Rance on increased hours to 10hrs pw to included work in Peters Village.</p> <p>Payroll administration outsourced, with Thompson Elphick Ltd CA, Aylesford.</p> <p>The existing Clerk as opted-out of a workplace pension – Pension Regulator advised.</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 2020-21, check parity for 2019-20 ? 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. Monthly schedules on the Council's 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>The last recorded VAT claim was to 31 Jan 2020. The Clerk needs to submit a VAT claim for the period from 1 Feb 2020 up to 31 March 2021 and amount in excess of £2,300. The PC have received a VAT exemption certificate for the building of the proposed new hall - Minuted 6 Oct 2020 Min 14</p> <p>Thompson Elphick Ltd CA, Aylesford.- payroll services on-going CW Surfacing – car park resurfacing contract (£64,339) one-off Google – email service EDF – CCTV power supply Eon – street lights power supply EE – mobile phone KCS – stationary supplies Headlands – Grounds Mtce.</p>
-----------------	--	---

<p>Receipts</p>	<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? • Covid-19 implications? 	<p>There has been a lot of discussion about charging for car parking facilities within the Minutes. The Clerk advised that the decision is to request a “donation” from the “food van operators” that have been given permission to park their vans and sell their food (fish & chip and chocolate) on specific days and time slots. Council 1 Dec 2020 Min 15.1 limited to two food vans.</p> <p>Allotments managed by an Allotment Assoc.</p> <p>Precept 2020-21 = £62,545</p>									
<p>Bank reconciliation & PWLB Loans</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 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>=</td> <td>£26,660</td> </tr> <tr> <td>Nationwide a/c (2026)</td> <td>=</td> <td><u>£20,478</u></td> </tr> <tr> <td>TOTAL</td> <td></td> <td><u>£47,138</u></td> </tr> </table> <p>The Council minutes for 1 June 2020 (Min 8 & 8.1) indicate the bank signatories are as follows:</p> <p>Bank account signatories - NatWest Cllrs Head, Bell and Baker and Clerk (Nicky Grimes) Nationwide Bu Soc – Clerk Nicky Grimes. Cllr Bell to be added The Clerk advised that she was still the only signatory to the Nationwide Account, which exposes the Council and is NOT Good Practice. This needs to be addressed urgently and I strongly recommend that more than one Cllr is added.</p> <p>The new PWLB loan for the car park resurfacing stands at £35,419 as at 31 March 2021</p>	NatWest Current a/c (3176)	=	£26,660	Nationwide a/c (2026)	=	<u>£20,478</u>	TOTAL		<u>£47,138</u>
NatWest Current a/c (3176)	=	£26,660									
Nationwide a/c (2026)	=	<u>£20,478</u>									
TOTAL		<u>£47,138</u>									

<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 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 £165,108 as at 31 March 2021.</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2020-21 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 2019-20 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2020 & website– AIAR ICO L • New governance compliance regime - refer to new Practitioners’ Guide 2020 	<p>Accounting records checked against the figures to be used in the AGAR Statement of Accounts for 2020-21, including the Bank Reconciliation.</p> <p>The non-quorate Council Meeting (1 June 2020 Mins 16.2 & 16.3) considered and approved the AGAR 2019-20, which was subsequently signed by the Chairman on 8 June 2020 and RFO signed Section 2 on 9 June 2020, after email responses had been received from the remaining Cllrs unable to attend the 1st June Meeting.</p> <p>Date of Announcement – 11 June 2020 Public Inspection period – 15 June to 24 July 2020 Evidence – the Public Rights Notice and Unaudited AGAR Sections 1 & 2 were posted to the old EiS website on 11 June 2020, which is no-longer available to access. Evidence of posting via the FaceBook page.</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? • 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 • Website host and Webmaster and any changes? • Website functionality & accessibility (23 Sept 2020 deadline) NALC L09-18 • TRANSPARENCY CODE compliant ? • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ CIlr 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 for a secondary back-up.</p> <p>The Council has migrated to a new website platform provided by TEEC Ltd (myparishcouncil.co.uk) last year migrating content from the KCC EiS platform. Reported to Council 4 August 2020 Min 20. Councillor Mrs Jenny Head is the webmaster although the Clerk can upload content to the website as well.</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.</p> <p>CIlrs have a generic gmail address eg jbloggswwpc@gmail.com</p>
--	---	---