Risk Assessment HIGH 0 MEDIUM 2 LOW 14	**Doddington Parish Council** **INTERNAL AUDIT 2019-2020** **AUDIT PLAN WITH COMMENTS / FINDINGS** **I am pleased to report to Members of the Doddington Parish Council (the "Council"), that I have completed my annual internal audit of the Council's records for the twelve month period to 31 March 2020, following my remote audit and subsequent conversations on 9 July 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, Mrs Wendy Licence for her assistance given to me during my audit visit.**

Area	Item	Comments / Findings Annual Audit 9 July 2020
Previous Audits	• 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.	AGAR Part 2 2018-19 – Certificate of Exemption signed off 10 June 2019, gross income = £8,735 and gross expenditure = £8,050 Certificate posted to the website with the rest of the AGAR 2018-19. Report issued 4 Sept considered by Council 14 October 2019 Min 11iv
Minutes	• 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	I scanned the Minutes for the year 2019-20. The Council adopted the General Power of Competence at APCM on 13 May 2019 Min 16

Code of Conduct/ Acceptance of Office	• 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 ?**	May 2019 Elections, only six candidates for the 7 seats. Cllr A. Shaw co-opted – 8 July 2019 Min 2 7 Councillors listed on the website DPI's available via a weblink to the Swale BC website May 2023
Standing Orders and Financial Regulations	• 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?	Financial Regulations had been reviewed against the NALC Model – approved 9 Sept 2019 Min 11iii (on the website) The Standing Orders were reviewed by Council in March 2019. (on the website) Yes Yes

Risk Management	• **Risk Assessments** – Are they: ○ Carried out regularly? ○ Adequate? ○ Reported in the minutes? ○ **ANNUAL REVIEW ?**	Risk Assessments were reviewed and adopted as amended, the War Memorial Risk Assessment was also approved – Council 14 Oct 2019 Min 11v Wicksteed Leisure Ltd had carried out the annual play equipment inspection, the Report was considered by Council in January 2020 Min 13. Cllrs carry out regular visual inspections and report any issues to Council each month with any remedial action taken.
	• Insurance cover – is it: ○ Appropriate/Adequate? ○ LTA in place? ○ Reviewed regularly? ○ Fidelity Guarantee Cover £ (Balances + ½ Precept)	The Council agreed a 3-year LTA for period 1 June 2019 to 31 May 2022 with Inspire (AXA)- 10 Council June 2019 Min 12iv via Came & Co (Broker) £150,000
	• Internal controls – are they: ○ Documented? ○ Adequate? ○ Reviewed regularly? ○ **Statement of Internal Control (SIC)?**	
	• Systems and Procedures – are they: ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly?	There are approx. a dozen policies and regulations on the website, some are undated.

Budgetary Controls	• Is the annual budgeting process reported and approved by the Council? ○ **Budget/Precept amounts minuted?** • Is the actual performance against the budgets reported to the Council during the year ○ Compare with Fin Regs? • Are significant variances explained in sufficient detail?	**I appreciate that the Council does not have a large Budget to manage but the Council should be at least getting quarterly budget monitoring reports to consider during the year rather than when a small group of Councillors review the Budget Dec/Jan time to come forward to the January Meeting to recommend a Budget and Precept for the next year. This would then comply with the Councils Financial Regulations.** There is no financial information relating to 2019-20 on the website. Budget for 2020-21 was discussed by the Chairman and another Cllr and the Clerk and their budget proposals were considered by Council 13 Jan 2020 Min 10iv. The Council decided to keep the Precept amount the same at £8,732, but it would result in a 15p increase per Band D property.
Section 137 expenditure **£8.12 FOR 2019-20** (£7.86 FOR 2018-19)	• 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?	The only S137 payment during 2019-20 was to the Royal British Legion
Book-keeping	• Cashbook - is it: ○ Fit for purpose? ○ Up to date? ○ Arithmetically correct? ○ Balanced regularly?	Excel spreadsheet Yes Yes Yes Yes

Petty Cash	• 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	N/A
Payroll	• **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**	The Clerk is the only employee of the Council. The contract hours are 20hrs per month, the Clerk is paid quarterly in arrears. The Clerk has an appraisal each year. The Clerk uses the HMRC on-line system for calculating her “net pay”, PAYE and NI liabilities. From April 2020 the Council MUST provide a payslip to the Clerk. I understand that the HMRC on-line system has been enhanced to produce a payslip, which I assume the Clerk will sort out during the first quarter’s payroll run. The workplace pension provider is NEST. The Clerk will get a reminder from the Pension Regulator to update the registration with the current pension arrangements.

Payments	• Are all payments recorded and supported by appropriate documentation?	The payments are minuted under the Finance Section of the Minutes, although a table of payments would be easier to represent in the Minutes but would not have the level of detailed provided with some payments.
	• Are payments minuted?	
	• Review of DD's and SO's ?	All payments are made by cheque apart from the DD for the NEST payments
	• **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.**	The staff costs included in Box 4 of the Statement of Accounts is compliant with the staff cost definition.
	• Has VAT been identified, recorded and reclaimed?	VAT claim for 2018-19 = £152.16 received 3 Aug 2019 VAT payments made in 2019-20 = £191.01 to reclaim in 2020-21
	• Are items above a de minimus amount purchased competitively?	
	• Have internal control procedures been adhered to?	
	• Contracts: ○ 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?	**Contracts in 2019-20** T J Carter – play equipt maintenance Commercial Services – playing field grass cutting N Swatland - playing field maintenance Branchette Ltd – tree surgery

Receipts	• 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?	Other than the Precept of £8,732 the Council received other income as follows: Bank Interest - £40 VAT Claim - £152 SBC Heritage Grant - £1,000 (for war memorial repairs) War Memorial contributions from Newnham PC - £1,006 N/A
Bank reconciliation & PWLB Loans	• 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 ?	The two NatWest Bank balances as at 31 March 2020 were Current a/c (5129) - £50 Business Reserve a/c (2094) - <u>£18,827</u> **<u>TOTAL £18,877</u>** There were three outstanding cheques at the year-end totalling £2,020. The bank mandate to be updated, removing former Cllr Haynes and adding Cllr Shaw 10 Feb 2020 Min 11iib No loans

Assets and Asset Register (AR)	• 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) ?	The Council reviewed the Asset Register, there were no additions - Council 14 Oct 2019 Min 11vi
Year-end procedures Inc. **AGAR**	• 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**	Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2019-20, including the Bank Reconciliation. STILL TO CONFIRM A Certificate of Exemption for 2019-20 can be signed by the Council, Gross income £10,933 and Gross Expenditure £11,673 AGAR Part 2 2018-19 – Certificate of Exemption signed off 10 June 2019, Sections 1 & 2- approved 10 June 2019 Min 12 i & ii **Date of Announcement – 14 June 2019** **Public Inspection period – 17 June to 26 July 2019** **Evidence – evidence is available – the AGAR 2018-19 and Public Notice posted to the website on 13 June 2019**

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<td>Additional tests –
(as necessary)</td>
<td>• Computer systems:
○ 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)
○ Privacy Notice
○ Cllr email addresses?
○ Email disclaimer
○ Other matters</td>
<td>Records backed up each month on a password protected memory stick and given to Chairman.

The website host was changed from the EiS (KCC) platform to a Hugo Fox platform in April 2019. Home page advises on the "Virtual Meetings" via "Zoom" and to contact the Clerk to attend. One of the main tabs provides Covid-19 information including telephone numbers of Parish Councillors able to assist locked-down/self-isolating residents.

I noticed in the Minutes that the "accessibility issues" had been discussed during the year. I have suggested to the Clerk that she looks at other parish websites especially those with accessibility apps to view www.brenchleyandmatfield.co.uk and www.wrothampc.org

General Privacy Notice last updated July 2018 (on the website)

Council 9 Sept 2019 Min 16 received a report from Cllr Coates concerning the Council's GDPR responsibilities and in particular the need for "council specific" email addresses for all Cllrs. It was confirmed by Cllr Coates at Council 11 Nov 2019 min 5 that all Cllrs now used a dedicated parish council email address</td>
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