

<p><b>Risk Assessment</b></p> <p><b>HIGH</b> 0</p> <p><b>MEDIUM</b> 0</p> <p><b>LOW</b> 16</p>	<p><b>Wrotham Parish Council</b></p> <p><b>INTERNAL AUDIT 2019-2020</b></p> <p><b>AUDIT PLAN WITH COMMENTS / FINDINGS</b></p> <p>I am pleased to report to Members of the Wrotham 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 audit visit and subsequent conversations on 28 April 2020.</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, Ms Lesley Cox for her assistance given to me during my audit visit.</p>	
<p><b>Area</b></p>	<p><b>Item</b></p>	<p><b>Comments / Findings</b></p> <p><b>Annual Audit 28 April 2020</b></p>
<p><b>Previous Audits</b></p>	<ul style="list-style-type: none"> <li>• Date of last External Audit Certificate <b>or Exemption Certificate</b></li> <li>• Comments if any</li> <li>• Publication on website.</li> <li>• Date of last Internal Audit Comments if any</li> <li>• Review of any items outstanding from previous internal / external audit reports.</li> </ul>	<p>PKF Littlejohn signed off the AGAR 2018-19 on 29 July 2019 n/a</p> <p>No comments</p> <p>Yes</p> <p>11 August 2019 Report was emailed to all Cllrs and comments and an action plan noted in the Min 11 – 4 Sept 2019</p> <p>Included New Website consideration of secure log-in facility for Cllrs and the provision of a generic email address for all Cllrs for WPC business only. Update of Fin Regs including reference to the Metro Debit Card facility and GDPR info held regarding regular hirers</p>

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>• <b>General Power of Competence ?</b></li> <li>• Dispensations</li> <li>• S.40 LA&amp;A Act 2014 filming/recording</li> </ul>	<p>Scan of Minutes on website.</p> <p><b>The next Meeting scheduled for 6 May 2020 is going to be conducted remotely using "Zoom". On the "home" page is a "latest News &amp; Events" section which has a heading WPC Meetings and a tab to click "to find out more", which leads to a note advising the reader of the cancellation of "normal" Meetings but inviting the public to email questions queries to the Clerk OR for details on how to join the "virtual meeting".</b></p> <p><b>Personally, I feel it would be better to have the invite "to ask questions OR join the Meeting" as part of the News &amp; Events item on the home page.</b></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> <li>• <b>NEXT ELECTION ?</b></li> </ul>	<p>May 2019 Elections – all 9 existing Cllrs were re-elected un-opposed.</p> <p>There have been no changes during the year.</p> <p>DPI link to the Tonbridge &amp; Malling BC website provided on the Members webpage</p> <p>May 2023</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>• <b>Updated re New NALC Models SO's 2018, Fin Regs 2019 ?</b></li> <li>• Two signature rule still in place?</li> </ul>	<p>Standing Orders were reviewed by Council at its meeting held on 3 April 2019 (Min 5)</p> <p>Financial Regulations were reviewed by Council on 7 August 2019 (Min 9)</p> <p>Yes</p> <p>Yes</p>

<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>• <b>Risk Assessments</b> – Are they: <ul style="list-style-type: none"> <li>○ Carried out regularly?</li> <li>○ Adequate?</li> <li>○ Reported in the minutes?</li> <li>○ <b>ANNUAL REVIEW ?</b></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>○ <b>Statement of Internal Control (SIC)?</b></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>The Risk Assessment document available on the website details the risks and the steps taken to minimise the risks. As well as the Financial Risks the health &amp; safety obligations are covered such as the visual inspection of the play areas, burial grounds, the skate park (a tri-parish project managed separately by the Whitegate Field Skate Park Committee consisting to 2 Cllrs from each participating PC)</p> <p><b>Annual Review of Risk was conducted by Council on 3 April 2019</b></p> <p>Insurance cover is provided by Inspire (AXA) via Came &amp; Co a specialist insurance broker. A 3-year Long-term Agreement (LTA) is in place to 30 Sept 2021.</p> <p>£150,000 cover provided</p> <p>A separate insurance policy is in place for the Skate Park with Hiscox, current policy expires 29 Dec 2020.</p> <p>The Risk Assessment document summarises the internal controls and procedures in place for the financial and administrative arrangements, which link back to the Financial Regulations and Standing Orders.</p>
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<p><b>Budgetary Controls</b></p>	<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>○ <b>Budget/Precept amounts minuted?</b></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>Budget Monitoring referred to as Financial Analysis is presented roughly quarterly to Council eg Monitoring to 30 Sept 2019 – Council Min 12 iii – 6 November 2019 and to 13 Feb 2020 – Council Min 11 iii – 4 March 2020</p> <p>In addition the Budget/Precept discussions for 2020-21 involves Budget “to date” figures, which wer consider by Council in January 2020 when a Precept of £101,797 (a 5% increase) was approved resulting in an increase of a Band D tax of £5.12pa Min 6 – 8 Jan 2020.</p>
<p><b>Section 137 expenditure</b></p> <p><b>£8.12 FOR 2019-20</b> (£7.86 FOR 2018-19)</p>	<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>	<p>Year end listing shows a grant/donation spend of £1,700 during 2019-20</p>
<p><b>Book-keeping</b></p>	<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>The Council moved to Sage 50 Cloud Accounts from 1 April 2019, allowing the Council to become “Tax Digital” compliant.</p> <p>The system is working well.</p>

<p>Petty Cash</p>	<ul style="list-style-type: none"> <li>• Has the amount of petty cash float been agreed?</li> <li>• Are all petty cash entries recorded?</li> <li>• Are payments made from petty cash fully supported by receipts / VAT invoices?</li> <li>• Are petty cash reimbursements signed for?</li> <li>• Is petty cash reimbursement carried out regularly?</li> <li>• Is petty cash balance independently checked regularly</li> </ul>	<p>N/A</p>
<p>Payroll</p>	<ul style="list-style-type: none"> <li>• <b>Who is on the payroll and are contracts of employment in place?</b></li> <li>• Who is the RFO?</li> <li>• Have there been any changes to the establishment during the year?</li> <li>• Have there been any changes to individual contracts during the year?</li> <li>• Have new appointments and changes to contracts been approved and minuted?</li> <li>• Do salaries paid agree with those approved by the Council?</li> <li>• Have any ad-hoc payments or benefits been appropriately approved?</li> <li>• Have PAYE/NIC requirements been properly applied and accounted for?</li> <li>• Payroll outsourced?</li> <li>• <b>WORKPLACE PENSION IN PLACE</b></li> </ul>	<p>The Clerk is the only employee. An increase in hours pw was approved in May 2019, an increase of 10 hrs pw to 32 hrs pw.</p> <p>A 4-year pay package was approved in June 2019 (Min 12 - June 2019).</p> <p>In addition to the salary an phone and home office allowance is provided.</p> <p>The HMRC on-line PAYE system is used by the Clerk. I checked the pay records and remittances to HMRC and KCC (pension). No errors were found.</p> <p>In-house</p> <p>LGPS in place.</p>

<p><b>Payments</b></p>	<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>• <b>STAFF costs definition for inclusion in Box 4 for 2019-20, check parity for 2018-19 ? Currently includes salary, tax, NIC &amp; Pension (employee &amp; ers) + taxable benefits ( home working allowance, broadband &amp; phone allowance etc NOT incl.</b></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>A schedule of payments is provided to Cllrs prior to the Council Meetings with the Agenda pack. The payments approved are listed in the Minutes with Invoice details and payment method, which has moved over to BACS payments wherever possible.</p> <p>DD's include payments for utility services such as Castle Water, Eon for gas and electricity.</p> <p>Staff cost definition is compliant re Box 4 on the Statement of Accounts in the AGAR.</p> <p>VAT claims during the year were –</p> <p>1 Feb – 30 April 2019 - £1,540 recd 22 Aug 2019 (claim had to be re-submitted)</p> <p>1 May – 31 July 2019 - £2,665 recd 9 Aug 2019</p> <p>1 Aug – 31 Oct 2019 - £1,906 recd 11 Nov 2019</p> <p>1 Nov – 31 Jan 2020 - £2,491 recd 7 Feb 2020</p> <p>Yes</p> <p>Tim Powell – General Mtce and litter picking  Peter Barden – General Mtce and litter picking  Four Seasons – Grounds Mtce Contract (Contract 1 see below)  Commercial Service Ltd – Grounds Mtce Contract (Contract 2 see below)  Hedgerow Mtce (Contract 3 see below)  NKCS – Contract Cleaning (Pavilion &amp; St Georges Hall)  Streetlights – Street Light Mtce  Harrison Grant (Solicitors) – Local Plan Professional Fees included additional consultants fees</p> <p><b>NB Re-tendering of three contracts for 3-year period 2020-23</b>  <b>Contract 1 &amp; 2 approved Min 12 - 4 Dec 2019 and Contract 3 approved Min 14 - 5 Feb 2020</b></p>
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<p><b>Receipts</b></p>	<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>Analysis of Income included in the Income &amp; Expenditure accounts. Annual Review of Fees &amp; Charges effective from April 2020 approved 8 Sept 2019 (Min 8) covering Burial services, Pavilion, Allotments, and St Georges Hall.</p> <p>Invoicing includes re-charges to other PC's for the Skate Park Mtce (Borough Green &amp; St Mary's Platt) and Local Plan challenge (Borough Green, St Mary's Platt, Ightham &amp; Stansted) (proportions based on the electoral roll)</p>																
<p><b>Bank reconciliation &amp; PWLB Loans</b></p>	<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>Bank Account balances as at 31 March 2020 were –</p> <table border="0"> <tr> <td>NatWest current a/c (9261)</td> <td>- £50</td> </tr> <tr> <td>NatWest Rec a/c (1806)</td> <td>- £1,927</td> </tr> <tr> <td>NatWest Bus Savings (7668)</td> <td>- £17,197</td> </tr> <tr> <td>Community Skate Park Fund</td> <td>- £1</td> </tr> <tr> <td>CCLA Fund 1 – WPC Savings (60001PC)</td> <td>- £40,168</td> </tr> <tr> <td>CCLA Fund 2 – Comm Projects (60002PC)</td> <td>- £126,678</td> </tr> <tr> <td>Metro Bank Debit Card (3576)</td> <td>- £ 770</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td><b>£186,791</b></td> </tr> </table> <p>Metro Bank pre-loaded Debit Card (£1,000 limit)</p> <p>No change to the signatory list</p> <p>None</p>	NatWest current a/c (9261)	- £50	NatWest Rec a/c (1806)	- £1,927	NatWest Bus Savings (7668)	- £17,197	Community Skate Park Fund	- £1	CCLA Fund 1 – WPC Savings (60001PC)	- £40,168	CCLA Fund 2 – Comm Projects (60002PC)	- £126,678	Metro Bank Debit Card (3576)	- £ 770	<b>TOTAL</b>	<b>£186,791</b>
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<p><b>Assets and Asset Register (AR)</b></p>	<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>•</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>Asset Register is up to date with two additions during 2019-20, which were a new PC and Monitor (£482) and additional Litter Picking equipt. (£167)</p> <p>Total value as at 31 March 2020 = £437,112</p> <p>A digital photo library of the assets is maintained and held by the Clerk. The digital streetlight photo inventory has recently been updated and the rest are being reviewed.</p>
<p><b>Year-end procedures inc. AGAR</b></p>	<ul style="list-style-type: none"> <li>• Does the AGAR 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>• <b>Date of approval of AGAR &amp; Certificate of Exemption if applied</b></li> <li>• <b>PROOF of public rights provision during summer 2019 &amp; website- AIAR ICO L</b></li> <li>• New governance compliance regime - refer to new <b>Practitioners' Guide 2019</b></li> </ul>	<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 1 May 2019 – Min PC00415.iii &amp; iv</p> <p><b>Date of Announcement - 3 May 2019</b>  <b>Public Inspection period – 17 June to 26 July 2019</b>  <b>Evidence – Screen prints from the EIS website provided by the Clerk shows upload to the website completed on 2 May 2019</b></p>

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<p>Additional tests – (as necessary)</p>	<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><li>○ <b>Email security</b></li><li>○ <b>Encryption of data?</b></li></ul></li><li>• Record keeping and the arrangements in place to store previous year's accounts etc.</li><li>• <b>Annual review of the effectiveness of Internal Audit inc. Appointment of IIA</b></li><li>• <b>Annual Statement of Internal Control</b></li><li>• Website host and Webmaster</li><li>• <b>Website functionality &amp; accessibility NALC L09-18</b></li><li>• TRANSPARENCY CODE compliant ?</li><li>• <b>Post GDPR (25 May 2018)</b><ul style="list-style-type: none"><li>○ <b>Privacy Notice</b></li><li>○ <b>Cllr email addresses?</b></li><li>○ <b>Email disclaimer</b></li><li>○ <b>Other matters</b></li></ul></li></ul>	<p>The “go to IT support” is Cllr Gillin who used to have his own IT business.</p> <p>Dropbox is used for Cloud storage.</p> <p>The website is managed by the Clerk and the Chairman</p> <p>The website is being switched from the EiS system provided by KCC (which is due to be unsupported from Sept 2020) to a new one designed by Highscore Web Design Kent <a href="http://www.wrothampc.org">www.wrothampc.org</a> Council – 8 Jan 2020 Min 8 reported that the website was going live. Training scheduled for 17 March 2020.</p> <p><b>Accessibility Statement available via a link on the bottom of the webpage. There is a “wheelchair” symbol on the right-hand side of the web pages which when clicked opens a menu to change the font size, keyboard navigation and highlighting links etc. I have seen other similar “accessibility menus” which also include a “speech facility” as an additional aid for the visually impaired, something that could be considered for Wrotham?</b></p> <p>The Council has an impressive list of documents and policies linked with the GDPR and data protection matters, which includes a General Privacy Notice and Retention Policy approved by Council on 3 April 2019. Other docs include Data Protection Impact Assessment Checklist (DPIA's), Subject Access Policy and Subject Access Request template.</p> <p><b>Dedicated Cllr email addresses to be considered at the May 2020 “virtual” Council Meeting.</b></p>
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