

Borough Green Parish Council
INTERNAL AUDIT 2018-2019
AUDIT PLAN WITH COMMENTS / FINDINGS

| Area | Item | Comments / Findings Interim Audit 3 Dec 2018 | Comments / Findings Final Audit XX April 2019 |
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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>8 September 2018</p> <p>No comments</p> <p>14 Oct 2018, noted by Council 5 Nov 2018 - Min 133 (ii & iii).</p> <p>Nothing to follow up other than progress with GDPR.</p> | |
| Minutes | <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>Minutes April to November 2018.</p> <p>Agendas and Minutes available on the Council's website, best found under Minute Archive, which includes previous years' minutes.</p> <p>NO</p> <p>YES, for the Budget/Precept discussions and prior to meetings as necessary</p> <p>Reference to filming & recording included on the agenda header.</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>There has been one change in Members since my last visit. Cllr Matthews resigned – 4 June 2018. Mr Jeff Reading co-opted Min 68 - 6 Aug 2018, first meeting attendance 1 Oct 2018. Post Audit Note: Cllrs Hurl and Chown have also recently resigned.</p> <p>The DPI's shown on the Council's website will be updated following the above changes.</p> <p>The next Election is in May 2019.</p> | |

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| 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? • Updated re Procurement Regs 2015? • Two signature rule still in place? | SO's - Council advised of the new 2018 Model SO's produced by NALC, agreed in principle Min 135 – 3 Nov 2018, but to be considered in detail at a future meeting. | |
| Risk Management | <ul style="list-style-type: none"> • Risk Assessments – Are they: <ul style="list-style-type: none"> ○ Carried out regularly? ○ Adequate? ○ Reported in the minutes? • 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? • Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? | <p>Risk Assessments a standing item on the “agenda”. Tree inspections for 2018-19 – awarded to Treeability Weekly inspection of all Council property carried out by the Groundsmen, play areas inspected by Commercial Services Ltd. RoSPA inspection carried out by Playsafety Ltd</p> <p>LTA with Zurich Municipal – policies includes “motor insurance”, renewed for 3 years to 12 July 2020 with an option to extend by 2 yrs – Min 62 – 3 July 2017</p> <p>£250,000 – adequate</p> <p>My audit testing gave assurance that internal controls were in place and working effectively. Financial Risk and Controls reviewed annually, Min 14(i) – 4 May 2018 SIC approved as part of the Annual Governance Statement approval process.</p> <p>To be covered in the annual review of the Financial Risk document due in 2019.</p> | |

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| Budgetary Controls | <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>Fin Committee 30 Nov 2018 reviewed 2018-19 Budget to date and Draft Budget for 2019-20 Post Audit Note: Council - 3 Dec 2018 received same reports and recommendations of the Fin Comm. finalised Budget & Precept for 2019-20 to be agreed at Jan 2019 Meeting.</p> | |
| <p>Section 137 expenditure</p> <p>£7.86 FOR 2018-19 (£7.57 FOR 2017-18)</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>Only used for donations to local charities</p> | |
| Book-keeping | <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>Manual Ledger and Excel spreadsheets</p> <p>Yes Yes Yes Yes</p> | |

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| Petty Cash | <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 | No petty cash held | |
| Payroll | <ul style="list-style-type: none"> • 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>Clerk (Mrs Hazel Damiral – 26 hrs pw) and two full-time groundsmen (Mr Glew & Springett)</p> <p>Clerk</p> <p>No</p> <p>2-year National pay award for the Clerk approved Increases for the two Groundsmen approved. Min 196 – 9 Jan 2018</p> <p>Yes</p> <p>Calculations approved and signed-off by 2 Councillors.</p> <p>Yes – HMRC on-line arrangements audited and payments made quarterly.</p> <p>No</p> <p>LGPS with KCC in place.</p> | |

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| <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 ? • 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>Checks made via the vouchers, accounts ledger and bank statements, no errors or omissions found.</p> <p>Payment schedules listed in Minutes</p> <p>Most payments are paid "on-line" and cheques</p> <p>VAT claim for 1 July 2017 to 31 March 2018 submitted - £4,220</p> <p>Based on tests carried out – Yes</p> <p>Playground Inspections – Commercial Services Ltd Ford Lease – Ford Transit GV15JVW = £246pm Wex Europe Services Ltd - local Esso garage for fuel account. CJS Plants Ltd – Hanging Baskets for Winter 2017/18 and Summer 2018 Street Lights – Lighting Mtce.</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 136 payments • Community Interest Levy (CIL) • Are internal controls of cash adequate? • Are invoicing arrangements adequate? | <p>Business Rates refund (net of expenses) - £14,097 set-aside to assist with professional fees to fight inclusion of Borough Green Gardens in the Local Plan.</p> <p>Received in accordance with TMBC notifications, no Sect 136 grants</p> <p>£10,000 legacy received to fund a "foot clinic" – May 2018</p> | | | | | | | | | | | | | | | | | | | |
| Bank reconciliation | <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>Bank Balances as at 31 Oct 2018</p> <table border="0"> <tr> <td>NatWest Current a/c</td> <td>0857</td> <td>£62,608</td> </tr> <tr> <td>NatWest Bus Res a/c</td> <td>8811</td> <td>£220,429</td> </tr> <tr> <td>NatWest Bus Res a/c</td> <td><u>9882</u></td> <td><u>£667</u></td> </tr> <tr> <td></td> <td></td> <td>£221,196</td> </tr> <tr> <td>o/s Chq No. 4093</td> <td></td> <td>(£100)</td> </tr> <tr> <td></td> <td></td> <td>Net Balance £221,096</td> </tr> </table> <p>Bank position reported and Minuted at every meeting.</p> <p>Possible review required following the Cllr changes.</p> <p>Two PWLB outstanding loans as at 31 Mar 2018 £26,162 + £29,168 = £55,330 Half/year payments due June & Dec, and Sept & March,</p> | NatWest Current a/c | 0857 | £62,608 | NatWest Bus Res a/c | 8811 | £220,429 | NatWest Bus Res a/c | <u>9882</u> | <u>£667</u> | | | £221,196 | o/s Chq No. 4093 | | (£100) | | | Net Balance £221,096 | |
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| Assets and Asset Register (AR) | <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>New equipment includes John Deere X590 ride-on tractor-mower - £5,783 John Deere Pro 53MV push mower - £1,000 Stihl brushcutter - £234</p> | |
| Year-end procedures Inc. AGAR | <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 • AGAR posted on website ? • New governance compliance regime - refer to new Practitioners' Guide 2018 | <p>2017-18 AGAR Min 14 (iii & iv) – 4 May 2018</p> <p>AGAR on the website</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/ up to date? • TRANSPARENCY CODE compliant ? • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Email disclaimer ○ Other matters | <p>The Clerk has had the new laptop installed (approved as part of the Budget 2018-19 - 9 Jan 2018) to enable the move to paperless data management.</p> <p>In the process of transferring over to automated "cloud" back-up, but continuing to back-up on USB sticks during the transition.</p> <p>Cllr Mike Taylor is the webmaster. The website is better laid out following some house-keeping of the content and old articles removed.</p> <p>GDPR Action on GDPR subject to Borough Cllrs attending a TMBC Course, which had been delayed. Min 75 – 6 Aug 2018. Cllrs attended the course and confirmed that no DPO required for parish councils. Council noted my comments on GDPR in 2017-18 year-end Audit Report. – Min 133(iii) – 5 Nov 2018 Post Audit Note: - Min 145 – 3 Dec 2018 agreed appropriate wording on the website, letters, emails and hire forms to comply with GDPR.</p> | |
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