

Risk Assessment HIGH 0 MEDIUM 5 LOW 11	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 16 Sept 2019
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>	<p>Interim Report issued 21 Feb 2019 – noted by Council Min 215(ii) – March 2019</p> <p>GDPR issues still outstanding (see also page 8)</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. 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>	<p>Minutes scanned to May 2019</p> <p>Emergency Meeting convened 21 March 2019 to discuss the Clerk's illness and temporary arrangements that could be pursued.</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>	<p>Cllrs Green and Simpson co-opted Min 208 – 4 March 2019.</p> <p>Uncontested Parish Election 8 existing Councillors re-elected – 3 vacancies</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? • Updated re Procurement Regs 2015? • Two signature rule still in place? 	<p>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.</p>	<p>Min 217 – 4 March 2019 Council approved the Model Standing Orders with updated BGPC amendments.</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? • 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,</p> <p>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>	<p>The sudden illness of the Clerk brings home the need to have at least an Annual Review of the Council's Risk Assessments, which will cover such matters as the loss of key workers.</p> <p>The Council could make a claim for financial support towards the extra cost of temporary staff etc</p> <p>There will be additional demands on Councillors to ensure good governance during the period of the Clerks absence and what temporary arrangements need to be put in place.</p> <p>Min 215 (iii) – 4 March 2019</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? 	<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>January 2019 meeting finalised the Budget and Precept Request for 2019-20 – Min 174 (iv) – Budget, (v) Precept - £177,470 equates to a 3.02% increase in the Band D Tax</p> <p>The 2019-20 Tax base was reported.</p> <p>NB It would be more informative for “readers” of these Minutes for some of the important figures to be included in the Minute, such as the Budget, the amount of the new Band D Tax and the Tax Base.</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>	<p>No change</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>Manual Ledger and Excel spreadsheets</p> <p>Yes Yes Yes Yes</p>	<p>No change</p> <p>BUT the internal audit was delayed until September 2019 to allow the Clerk, Mrs Damiral to complete the entries in the Manual Ledger, which does beg the question whether the accounting arrangements are fit for purpose, BUT this could be applied to many of my other parish clients so NOT unique to Borough Green.</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? • Is petty cash reimbursement carried out regularly? • Is petty cash balance independently checked regularly 	<p>No petty cash held</p>	<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? • 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>	<p>Clerk's illness and need to implement alternative temporary arrangements. Min 228 – 1 April 2019 The Chairman, Cllr Mie Taylor to act as the RFO and enlisting the support of the Wrotham Clerk.</p> <p>The Clerk suffered a serious illness in March 2019 and was advised not to return to work for many months.</p> <p>Post Audit Note: Min 193 – 3 Feb 2020 The Clerk Mrs Hazel Damiral had submitted a resignation letter due to ill health effective from 31st March 2020.</p> <p>Post Audit Note:- Min 90 – 9 Sept 2019 Clerk to be re-instated as the Bankline Administrator on the NatWest Account. The Wrotham Clerk processing the payroll inc PAYE and Pensions</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 ? • 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 GV15JVV = £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>	<p>As reported elsewhere temporary arrangements for the payments had to be put in place following the Clerk's sudden illness in March 2019, with more direct involvement of Councillors.</p> <p>Well done for keeping the ship afloat during these exceptional circumstances.</p> <p>VAT Claim for period 1 April to 31 Dec 2018 claimed 7 Feb 2019 = £10,644.</p> <p>VAT for the period from 1st January 2019 needs to be claimed in due course. Post Audit Note:- Is this something the Clerk Mrs Damiral can do before she retires from the Council?</p>
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<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 • 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>	<p>Post Audit Note:- The Chairman reported an issue regarding the paying in of "cash" receipts during the absence of the Clerk. The sums in question were not regarded as material. The temporary arrangement in place is for the Chairman to pay the cash received into his personal account and then issue a personal cheque for the same amount to pay into the BGPC bank account. The total of the cash receipts will therefore show up as a receipt of a cheque within the BGPC bank statement. The Chairman also reports the sums received to the Council as a whole and is suitably minuted.</p>																		
<p>Bank reconciliation</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>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	<p>Bank Balances as at end of 31 March 2019 net of unrepresented cheques totalling £14,141. = £155,362 as recorded on the AGAR 31 March 2019 submitted to PKF Littlejohn, which included a detailed Bank Reconciliation.</p> <p>Emergency Meeting 21 March 2019 recommended temporary changes to the Bank Mandate removing the Clerk as the administrator and a signatory. Cllr Millener be appointed as Temporary Administrator [actioned May 2019 onwards] and signatories to be added, Cllrs Millener, Gould and Taylor. Mins 3,4 and 5. Cllr Dawson who had previously resigned be removed from the mandate (Min 2).</p>
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<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>New equipment includes John Deere X590 ride-on tractor-mower - £5,783 John Deere Pro 53MV push mower - £1,000 Stihl brushcutter - £234</p>	<p>Purchase of a new Surface Pro laptop approved Min 174 (vii) – 7 Jan 2019 amount £1,297.</p> <p>Total increase in the value of the Asset Register as at 31 March 2019 = £8,311</p> <p>Asset Register value = £675,904 as per AGAR submission.</p>
<p>Year-end procedures inc. AGAR</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 • 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>	<p>Post Audit Note:- AGAR 2018-19 completed and signed off by PKF Littlejohn 11 November 20 19, will form part of the 2019-20 Internal Audit.</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 • 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>	<p>Purchase of a new Surface Pro laptop approved Min 174 (vii) – 7 Jan 2019 amount £1,297.</p> <p>Post Audit Note: There was an issue with accessing the Council's laptop that was password protected and some of the on-line systems such as the NatWest Bankline and HMRC on-line accounts, which the Clerk had sole access to. The usual arrangement is for passwords to be written down and placed in a properly sealed envelope only to be opened in extreme circumstances. The envelope is usually held by the Clerk under lock and key or by a nominated Cllr.</p> <p>The Chairman, Cllr Taylor is aware of the need to comply with the new website accessibility requirements.</p> <p>GDPR – at the time of my audit visit the promised updates to meet the GDPR compliance had not happened due to the Clerks long-term illness.</p> <p>Post Audit Note:- The Council's website has moved to a new platform created by Wix.com. The new site is more user friendly and there is reference to the accessibility guidelines etc. There is also some GDPR declarations including a Privacy Statement dated March 2019. Both are listed under the "Compliance Tab under the "MORE" tab on the Home Page. The Council has also invested in having cllrbloggs@boroughgreen.gov.uk set up for all Cllrs to receive and send Parish Council related emails + attachments, therefore moving away from the use of personal email accounts and becoming GDPR compliant. Councillors have been requested to sign a declaration accepting that any Parish Council data held on any personal devices is accessible to FOI and MUST be destroyed when a Councillor leaves the Council.</p>
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