

<p>Risk Assessment</p> <p><b>HIGH</b> 0</p> <p><b>MEDIUM</b> 1</p> <p><b>LOW</b> 15</p>	<p style="text-align: center;"><b>Borough Green Parish Council</b></p> <p style="text-align: center;"><b>INTERNAL AUDIT 2021-2022</b></p> <p style="text-align: center;"><b>AUDIT PLAN WITH COMMENTS / FINDINGS</b></p> <p>I am pleased to report to Members of the Borough Green 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 2022, following my audit visits and subsequent conversations on 13 April 2022.</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 Mr Bernie Galopin for his assistance given to me during my audit visit.</p> <p>During my visit I advised the Clerk that this would be my last Internal Audit visit as I am proposing to wind-down my auditing work after the completion of the 2021-22 Year-end Audit season. It has been a pleasure working with the Council over the last 11 years, my first audit visit was in May 2011!</p>	
<p style="text-align: center;"><b>Area</b></p>	<p style="text-align: center;"><b>Item</b></p> <p>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p style="text-align: center;"><b>Comments / Findings</b></p> <p style="text-align: center;"><b>Year-end Audit 31 March 2022</b></p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> <li>• <b>Date of last External Audit Certificate or Exemption Certificate for 2020-21</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 Section 3 of the AGAR 2020-21 on 25 August 2021.</p> <p>There were no comments. Considered by Council 6 Sept 2021 Min 104(ii)</p> <p>Published on the website</p> <p>Internal Audit report considered by Council 4 August 2021 Min 085(v)</p>
<p>Minutes</p>	<ul style="list-style-type: none"> <li>• Scan of the minutes of the Council's meetings and the Finance Committee.</li> <li>• <b>General Power of Competence (GPC) ?</b></li> <li>• Dispensations</li> <li>• S.40 LA&amp;A Act 2014 filming/recording</li> </ul>	<p>Virtual meetings came to an end from 7 May 2021. Face to face Meetings at the Village Hall recommenced following the Govt decision not to extend the permission for “virtual meetings, the first meeting was 3 June 2021. Council Meeting 10 Jan 2022 was a “virtual meeting” due to Covid Infection concerns, the Minutes refer to the “delegated authority” to the Clerk in the absence of any face to face meetings. Meetings returned to “face to face” in February 2022.</p>

<p>Code of Conduct/ Acceptance of Office</p>	<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>• NEXT ELECTION ?</li> </ul>	<p>11 Cllrs  Cllr Gould died – announced at Council 6 Sept 2021  Sue Butterfill – co-opted 10 Jan 2022 Min 163  Councillor Redrup resigned - 10 Jan 2022 Min 163  Angelique Rawsthorne – co-opted 7 Feb 2022 Min 180 No DPI info yet</p> <p>The DPI's are available on the website apart from the newest Cllr co-opted in Feb 2022.</p>
<p>Standing Orders and Financial Regulations</p>	<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>Virtual Meetings / Delegation to Clerk/RFO still in place ?</b></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 and Financial Regulations adopted 3 June 2021 both documents are due to be considered by a Compliance Review Working Group in April 2022.</p> <p>The Council's website is not the easiest to navigate and a good example is the Standing Orders and Financial Regulations documents that can be found on the website. Under the sub menu to the Parish Council is a Regulations menu, which contains 2016 versions of both docs whilst under the Compliance menu the newer June 2021 versions can be found and a September 2020 version. Moving forward a tidy up of the website content would be beneficial.</p> <p>Still in place and used in January 2022.</p>

Risk Management

- **Risk Assessments** – Are they:
  - Carried out regularly?
  - Adequate?
  - Reported in the minutes?
  - **Inspections of play equipment etc if carried out by staff/Cllrs have they been trained, accredited?**
  - **ANNUAL REVIEW ?**
- Insurance cover – is it:
  - Appropriate/Adequate?
  - LTA in place?
  - Reviewed regularly?
  - Fidelity Guarantee Cover £ (Balances + ½ Precept)
- Internal controls – are they:
  - Documented?
  - Adequate?
  - Reviewed regularly?
  - **Statement of Internal Control (SIC)?**
- Systems and Procedures – are they:
  - Documented?
  - Adequate?
  - Followed?
  - Reviewed regularly?

Risk Assessment Summary – adopted by Council 3 June 2021 Min 048  
Financial Risk Assessments reviewed 12 April 2021 Min 011 (i) c

As well as the Annual ROSPA inspections regular inspections are undertaken by the full-time Groundsmen.

See above

The Council had insurance cover provided by Zurich Insurance as part of a 3-year Long-term Agreement, which includes “motor insurance”. The Council has renewed the insurance cover with Zurich on similar terms and cover extended to include the new Playground Equipment at the Recreation Ground until July 2025. The outstanding contingent liability mentioned in my previous years Internal Audit report has been settled within the provision set aside.

Fidelity cover was up to £250,000

Financial Internal Controls adopted by Council 3 June 2021 Min 048

There are various policy documents available on the Councils website with more to be uploaded as they are prepared by the Clerk and adopted by the Council.

<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> <li>○ <b>Review of All Reserves included as part of the Budget Setting Process?</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> <li>• <b>Ongoing Covid-19 implications ?</b></li> </ul>	<p>Finance Committee met 11 Nov 2021 to discuss the Budget and Precept for 2022-23. Council subsequently agreed to set the Budget for 2022-23 at £276,328 (£201,920 – 2020-21) and a Precept of £237,958 (£206,920-2021-22) – Council 6 Dec 2021 Min 155 (v) . This represented a 15% increase equivalent to £6.70 pa for a Band D property. <b>The Clerk needs to record the actual Precept sum agreed in the Minutes and the corresponding Budget approved when the Council considers the Annual Budget and Precept in December/January each year. The Council Minutes represents the formal decision of the sums approved by Council each year.</b></p> <p>The Clerk has re-introduced regular budget monitoring during 2020-21 eg Council 1 Nov 2021 Min 138i major expenditure during 2021-22 included the Play Area Revamp, new electric van (deposit only no delivery date as yet), Pavilion and a new path.</p> <p><b>As yet there is no budgetary information on the website relating to the Budget and Precept for 2022-23</b></p>
<p><b>Section 137 expenditure</b></p> <p><b>£8.41 FOR 2021-22</b> (£8.32 FOR 2020-21)</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>S137 payments during 2021-22 amounted to £2,100 including a sum of £1,500 to the Christmas Lights Committee</p>
<p><b>Book-keeping</b></p>	<ul style="list-style-type: none"> <li>• Cashbook - is it:</li> <li>• Fit for purpose?</li> <li>• Up to date?</li> <li>• Arithmetically correct?</li> <li>• Balanced regularly?</li> <li>• <b>Turnover above £200k pa ? Income &amp; Expenditure basis of accounting?</b></li> <li>• <b>Record keeping and the arrangements in place to store previous year's accounts etc.</b></li> </ul>	<p>The Clerk uses the Sage 50 Cloud accounting package.</p> <p>The gross expenditure &amp; income for 2021-22 exceeded the £200,000 threshold. The accounts are on an Income &amp; Expenditure basis.</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>• <b>Date of last petty cash reimbursement ?</b></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>• <b>Annual Appraisal in place ?</b></li> <li>• Have there been any changes to the establishment and/or changes to individual contracts during the year?</li> <li>• <b>Members Allowances in place and paid via payroll system?</b></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 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 new Clerk/RFO – Bernie Galopin commenced 1 April 2020 – contracted to do 26 hrs pw.  2 full-time groundsmen – Mr Glew and Mr Springett (Appraisals were completed in April 2021)  Clerks appraisal discussed – Council 4 August 2021 closed session at end of the meeting.</p> <p>Appraisals are scheduled for Tuesday 5 April 2022.</p> <p>Payroll done in-house using the HMRC basic payroll tools, pay day is 28<sup>th</sup> of each month. P60's for 2021-22 inspected.</p> <p>LGPS - Pension Regulator re-enrolment completed NB the Clerk has personally opted out of the LGPS.</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 2021-22, check parity for 2020-21 ? 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>• 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>The Clerk provides a payment listing to be approved by Council, which is shown as an appendix to the Minutes. The payments list shows the staffing costs, the BACs payments and the DD payments with a note of the two Councillors signing off the payments, which are rotated.</p> <p>The monthly schedule lists the DD's, which mostly related to utility supplies.</p> <p>Fully compliant with the staff costs definition</p> <p>VAT claims:  1 April 2020 to 31 March 2021 – £14,203 received 30 Nov 2021  The VAT claim for 2021-22 = £38,442 to be claimed in 2022-23</p> <p><b>Sample regular supplier payments</b></p> <p>Treeability – tree works &amp; mtce.  EJP Fire Protection – Mtce at Potters Mede &amp; Recreation Grd.  Streetlighting – street lighting mtce  Godfreys Service – equipt repairs/servicing  WEX Europe – fuel supplies  Greenthumb – lawn care  Kent Garden Machinery – repairs/servicing  CJS Plants – hanging baskets  Ian Laws – fencing  SHS Ltd – public convenience cleaning new contract started from 1 Sept 2021</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 106 &amp; CIL payments</li> <li>• <b>Are income records inc allotments, burials, hirings adequate?</b></li> <li>• Are invoicing arrangements adequate?</li> <li>• <b>Ongoing Covid-19 implications?</b></li> </ul>	<p>Borough Green Rec Revamp Project - £50k grant from Enover, fund raising by the Revamp Group to be paid over to BGPC to be used towards the Project. This was set out in a Memorandum of Understanding approved by Council and the Revamp Group – Council 6 Sept 2021 Appendix 4 The Project Contractor Eibe was scheduled to start on 1 Nov 2021 lasting 3-4 weeks (Council 11 Oct 2021 Min 119)</p> <p>Potters Mede income - £15,370 Recreation Ground - £2,043</p>								
<p><b>Bank reconciliation &amp; PWLB Loans</b></p>	<ul style="list-style-type: none"> <li>• What current/deposit accounts exist?</li> <li>• <b>Investment Strategy recommended where bank balances are in excess of £100k. FSCS aware ?</b></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>• <b>Internet Banking/Corporate Card and if in place Financial Regs updated ?</b></li> <li>• Signature review (Two signatures required?)</li> <li>• Any PWLB loans ?</li> </ul>	<p>Summarised Bank Statement included in the monthly Minutes.</p> <p>The bank balances at 31 March 2021 were:</p> <table border="0"> <tr> <td>Business Current a/c (0857)</td> <td>£100</td> </tr> <tr> <td>Business Reserves a/c (8811)</td> <td>£11,243</td> </tr> <tr> <td>Unity Trust Current a/c (0171)</td> <td><u>£19,892</u></td> </tr> <tr> <td><b>Total =</b></td> <td><b><u>£31,235</u></b></td> </tr> </table> <p>The Council opened a CCLA account set-up with £31,000 transferred on 14 May 2021 – approved by Council 4 May 2021 Min 30 (iv) The Clerk has set-up Cllrs Taylor, Shaw, and Millener as signatories.</p> <p>The only change to the signatory list is the removal of Cllr Gould.</p> <p>2 PWLB loans balance outstanding as at 31 March 2022 = £13,820</p>	Business Current a/c (0857)	£100	Business Reserves a/c (8811)	£11,243	Unity Trust Current a/c (0171)	<u>£19,892</u>	<b>Total =</b>	<b><u>£31,235</u></b>
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Unity Trust Current a/c (0171)	<u>£19,892</u>									
<b>Total =</b>	<b><u>£31,235</u></b>									

<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 long-term investments recorded?</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>Recreation Ground play area revamp Electric van was due for deliver December 2021 – Council 1 Nov 2021 Min 138(iii) but the delivery has been delayed.</p> <p>Total new additions = £148,594 Main items include Play Area Revamp - £109,937 and fencing - £10,778, Pathway - £14,097, CCTV - £7,104</p> <p>Disposals = £33,500</p> <p>Possible future transfer of Public Toilets, Staleys Acre and Crowhill from TMBC - Council 12 April 2021 010(iii)</p>
<p><b>Year-end procedures Inc. AGAR</b></p>	<ul style="list-style-type: none"> <li>• Does the <b>2021-22 AGAR Statement of Accounts</b> 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 2020-21 AGAR &amp; Certificate of Exemption criteria met, exemption declared</b></li> <li>• <b>PROOF of public rights provision during summer 2021 &amp; website– AIAR ICOs</b></li> <li>• <b>Public Inspection Period Minuted ?</b></li> <li>• New governance compliance regime - refer to new <b>Practitioners' Guide 2021</b></li> </ul>	<p><b>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2021-22, including the Bank Reconciliation.</b></p> <p><b>The Council signed-off the AGAR 2020-21 on 3 June 2021 Min 048(i), the RFO had signed the Statement of Accounts on 18 May 2021.</b> <b>The actual Minute gives no indication that the AGAR was properly considered and signed off “048 Financial Matters: (i) Clerk’s RFO Report.&amp; Audit Progress”</b> <b>This must be improved for the sign-off of the AGAR 2021-22. A suggested agenda item and minute layout has been provided to the Clerk</b></p> <p><b>Date of Announcement - 8 June 2021</b> <b>Public Inspection period – 14 June to 23 July 2021</b> <b>Evidence – Evidence provided for publication on 8 June 2021</b></p> <p><b>Extract from Detailed Instructions issued by PKF Littlejohn</b> Publishing means inclusion <b>on the authority’s website*</b>. Publication on a notice board is not mandated but is good practice; <b>Extract from Publication Requirements shown on Page 1 of the AGAR Form 3</b> It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.</p>



<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>• <b>Trust Funds/Charities – Charity Commission filing?</b></li> <li>• Annual review of the effectiveness of Internal Audit inc. Appointment of IIA</li> <li>• <b>Website host and Webmaster and any changes?</b></li> <li>• <b>Website functionality &amp; accessibility (23 Sept 2020 deadline) NALC L09-18</b></li> <li>• <b>TRANSPARENCY CODE compliant especially for Exempt Authorities</b></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 inc DPO arrangements</b></li> </ul> </li> </ul>	<p>The Clerk uses the Council owned Microsoft Surface Pro and Microsoft 365 software including the One Drive cloud storage &amp; back-up. Sage 50 Cloud automatically backs up. Month-end position downloaded to a memory stick, which is exchanged with the Chairman on a monthly basis.</p> <p>Not applicable</p> <p>The website platform is provided by Wix.com The Chairman, Cllr Taylor and the Clerk manage the website content I reported last year that the website was being redesigned by Councillor Crawley, with the intention to roll this out at the end of August 2021. Cllr Crawley reported progress of the revamp to Council on 11 Oct 2021 Min 122 Cllrs Taylor, Crawley and Ramsden together with the Clerk are the administrators of the revamped website. A Facebook page has been created for BGPC, which is being administered by Cllr Ramsden and the Clerk. There are regular reports to the Council on Facebook postings and the policing of unwanted content. The “comments” facility on Facebook was turned off – Council 7 Feb 2022 Min 190</p> <p>“Website &amp; Social Media” is a regular Council agenda item.</p> <p>Cllrs agreed to the use of dedicated email addresses using .gov.uk emails, 25 emails provided via Zen Silver Service 6 Jan 2020 The Clerks email address is in the same format as Cllrs <a href="mailto:clerk@boroughgreen.gov.uk">clerk@boroughgreen.gov.uk</a></p>
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