

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 0</p> <p>LOW 16</p>	<p style="text-align: center;">Selling Parish Council</p> <p style="text-align: center;">INTERNAL AUDIT 2021-2022</p> <p style="text-align: center;">AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Selling 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 27 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 Ms Wendy Gregory for her assistance given to me during my audit visit.</p>	
<p style="text-align: center;">Area</p>	<p style="text-align: center;">Item</p> <p>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p style="text-align: center;">Comments / Findings</p> <p style="text-align: center;">Year-end Audit 31 March 2022</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2020-21 • 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>PKF Littlejohn signed-off the External Auditor Report on 2 Sept 2021, considered by Council on 16 Sept 2021 Min 09.21.07f & g</p> <p>There was one “exempt matter” raised concerning the bank reconciliation figures and a note in the “other matter” section referring to the Council’s Exemption from the External Audit Review for the previous year 2019-20. AGAR 2020-21 and related statutory notices are available on the website</p> <p>The 18 May 2021 Internal audit report was considered by Council on 16 Sept 2021 Min 09.21.07e covering risk assessments, budget monitoring and bank signatories.</p>
<p>Minutes</p>	<ul style="list-style-type: none"> • Scan of the minutes of the Council’s meetings and the Finance Committee. • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>The Council resumed “face to face” meetings on 20 May 2021. The Zoom subscription was cancelled.</p> <p>GPC The Clerk has registered with CILCA. Post Audit Note: Has achieved the CILCA qualification, well done !! Currently there are 4 Cllrs that were elected back in May 2019, Cllr Woolett joined in July 2019, Cllrs Day and Kitchen joined the Council in 2020. This means the Council can only adopt the General Power of Competence after the next Election in May 2023 assuming a sufficient number of candidates stand for election (ie a minimum of 5).</p>

<p>Code of Conduct/ Acceptance of Office</p>	<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>Code of Conduct NALC 2021 version adopted Council 17 Feb 2022 Min 02.22.14 7 Councillors in post at 1 April 2021.</p> <p>No changes during 2021-22</p> <p>DPIs viewable via a weblink to the Swale BC website. All 7 Cllrs details available.</p> <p>May 2023</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? • Virtual Meetings / Delegation to Clerk/RFO still in place ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Revised Standing Orders were approved by Council 19 Nov 2020 Min 11.20.13 to include new rule to allow the Chairman and Vice-chairman to be ex-officio with voting rights for every committee and sub-committee.</p> <p>Face to face meetings resumed with Council meeting on 20 May 2021. LGA s101 delegation removed with immediate effect approved by Council 17 June 2021 Min 06.21.15 Financial Regulations approved by Council 16 Dec 2021 Min 12.21.11</p> <p>LGA s101 delegation Scheme re-instated following advice received from KALC - Council 20 Jan 2022 Min 01.22.09 NB The NALC Model Standing Orders (revised 2020) has included the delegated powers in Section 3.</p> <p>2-signature rule in place.</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?

Management/maintenance of the individual Defibrillators at the School and at Sandbanks resolved – Council 21 Oct 2021 Min 10.21.12ii) & iii)
Risk Assessment document approved by Council 18 Nov 2021 Min 11.21.10

The Clerk has advised that the Council is not responsible for the play equipment, therefore the equipment and the “inspection regime” is not a risk area for the Council.

The Risk Assessment schedule is available to view on the Council’s website under “Policies”. The last risk listed is “review of risk” with the control procedure implying an annual risk assessment review by the Clerk and Councillors. The Clerk advised that the risk assessment focus during 2020-21 was centred on the Covid-19 pandemic and compliance with the “latest Government advice”. **The Clerk will be making sure all risks are covered during 2021-22 and on an annual basis thereafter.**

Council 20 May 2020 Min 05.20.09 approved the payment of the insurance renewal with Zurich Municipal from 1 June 2020 to 31 May 2021 under the scheme of temporary delegation. Zurich insurance renewed payment approved 20 May 2021 Min 05.21.10b

Post Audit Note: Council 19 May 2022 Min 05.22.07b)iv insurance quotations from Zurich Municipal, BHIB (brokers) and CAS (brokers) considered. 5-year LTA with Zurich Municipal accepted to 30 May 2027
The Fidelity cover = £25,000

Post Audit Note: The Council adopted a new Internal Controls Policy – Council 16 June 2022 Min 06.22.11

Privacy policy adopted – Council 21 Oct 2021 Min 10.21.14
Amended Scheme of publication approved - Council 18 Nov 2021 Min 11.21.11

<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? ○ Review of All Reserves included as part of the Budget Setting Process? • 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? • Ongoing Covid-19 implications ? 	<p>The 2022-23 Budget and Precept was discussed by Council on 16 Dec 2021 Min 12.21.07 d) & e) Budget £16,635 Precept £13,000 A precept of £13,000 (the same as the previous year) was resolved. The shortfall would be funded from Reserves. The Clerk was requested to upload the Budget to the website with a note about the level of Precept remaining the same.</p> <p>The Clerk produces an updated bank position at each Council Meeting The Cash Book shows the budget figures against every type of expenditure and the up to date expenditure is compared to budget on an ongoing basis, effectively the Budget is monitored at nearly every Meeting, with an appropriate minute such as Min 01.22.07c – 20 Jan 2022 “The actual spend compared to budget was received”</p> <p>Council 16 Sept 2021 Min 09.21.07c Budget Monitoring Report received to be repeated on a quarterly basis. Eg 16 Dec 2021 Min 12.21.07c</p> <p>No on-going Covid-19 implications</p>
<p>Section 137 expenditure</p> <p>£8.41 FOR 2021-22 (£8.32 FOR 2020-21)</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>The total of the S137 spend in 2021-22 was £2,004 and included contributions to the following good causes:- Poppy Wreath Selling Village Hall First Rescue Training & Supplies Post Office outreach</p>
<p>Book-keeping</p>	<ul style="list-style-type: none"> • Cashbook - is it: • Fit for purpose? • Up to date? • Arithmetically correct? • Balanced regularly? • Turnover above £200k pa ? • Income & Expenditure basis of accounting? • Record keeping and the arrangements in place to store previous year's accounts etc. 	<p>Excel spreadsheet Yes Yes Yes Yes</p> <p>Not Applicable</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? • Date of last petty cash reimbursement ? • Is petty cash balance independently checked regularly 	<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? • Annual Appraisal in place ? • Have there been any changes to the establishment and/or changes to individual contracts during the year? • Members Allowances in place and paid via payroll system? • Have new appointments and changes to contracts been approved and minuted? • Do salaries paid agree with those approved by the Council? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>Ms Wendy Gregory, the Clerk is the only employee contracted to work 10hrs pw (an increase of 3hr pw) as from 1 April 2020</p> <p>National salary award for 2021-22 approved and back-dated to 1 April 2020 – Council 17 March 2022 Min 03.22.07 c) – paid in April 2022.</p> <p>Post Audit note: Annual Increment 21 April 2022 Min 04.22.07d</p> <p>As per the above Minute the payroll was outsourced to DM Payroll Services</p> <p>N/A</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 ? • STAFF costs definition for inclusion in Box 4 for 2021-22, check parity for 2020-21 ? Currently includes salary, tax, NIC & Pension (employee & ers) + taxable benefits (home working allowance, broadband & phone allowance etc NOT incl. • Has VAT been identified, recorded and reclaimed? • 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 on the invoices and payments made during the year revealed no errors or omissions, many payments being repeat payments during the years such as SSE, Streetlights and the Clerk for salary and expenses.</p> <p>A list of payments made is recorded in the Minutes showing the Payee and description, the net sum and Vat payable if applicable. A list of all payments during the year has been posted to the website as part of the financial information available to view (Good Practice).</p> <p>DD for SSE street lighting costs. Clerk's salary paid by SO on the 25th of each month BUT the Clerk's contract stipulates 12th of the month. The Bank signatories need to rectify this matter and amend the "standing order" instruction to the 12th to match the contract.</p> <p>The staff costs definition has been complied with.</p> <p>VAT paid during 2020-21 claimed = £2,283 received 2 July 2021.</p> <p>VAT Paid in 2021-22 = £666.43 + £8.50 Streetlights inv. Chq 1411 to be claimed in 2022-23</p> <p>SSE – electricity supply to street lighting (new 3-year contract Council 21 April 2022 Min 04.22.07f SSE Energy) Streetlights – streetlight mtce. (Contract to be put out to tender Council 21 Oct 2021 Min 10.21.07c despite best endeavours the Clerk has been unable to find any other suitable company to submit a tender in part due to the mix of "old & new" lampposts.)</p> <p>Vision ICT Ltd – website provision DM payroll services – payroll administration (Council 18 June 2020 Min 06.20.10)</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 106 & CIL payments • Are income records inc allotments, burials, hirings adequate? • Are invoicing arrangements adequate? • Ongoing Covid-19 implications? 	<p>Other than the Precept and street lighting grant from Swale BC, the other sources of income during the year were :</p> <p>VAT repayment = £2,283 Donation = £478 (defibrillator pads) Bank interest = £1.51 S106 monies = £203 Covid-19 grant via KALC = £517 (towards expenses incurred)</p>															
<p>Bank reconciliation & PWLB Loans</p>	<ul style="list-style-type: none"> • What current/deposit accounts exist? • Investment Strategy recommended where bank balances are in excess of £100k. FSCS aware ? • 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 and if in place Financial Regs updated ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>The Council continues to bank with NatWest, the account balances at 31 March 2022 were-</p> <table border="0"> <tr> <td>Current account (6260)</td> <td>-</td> <td>£6,985</td> </tr> <tr> <td>Business Res account (3023)</td> <td>-</td> <td><u>£15,219</u></td> </tr> <tr> <td>Sub TOTAL</td> <td>-</td> <td>£22,204</td> </tr> <tr> <td>LESS unrepresented Chgs</td> <td>-</td> <td><u>£1024</u></td> </tr> <tr> <td>AGAR BOX 8</td> <td></td> <td><u>£21,180</u></td> </tr> </table> <p>The bank mandate had three signatures, Cllrs Saunders & Hodson as well as the Clerk primarily to allow access to the bank account details etc. Council on 16 Sept 2021 Min 09.21.07e approved the addition of Cllrs Bowles and Day to the bank mandate, making it 4 Cllrs and the Clerk.</p> <p>No loans</p>	Current account (6260)	-	£6,985	Business Res account (3023)	-	<u>£15,219</u>	Sub TOTAL	-	£22,204	LESS unrepresented Chgs	-	<u>£1024</u>	AGAR BOX 8		<u>£21,180</u>
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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 long-term 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>The Total Assets as at 31 March 2022 was £8,883 an increase of £836 from the previous year.</p> <p>2 defibrillators gifted and a new one located at The Sondes PH - 20 May 2021 Min 05.21.14</p> <p>Removal of Noticeboard at Hogben's Hill 17 June 2021 Min 06.21.14</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2021-22 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 2020-21 AGAR & Certificate of Exemption criteria met, exemption declared • PROOF of public rights provision during summer 2021 & website– AIAR ICOs • Public Inspection Period Minuted ? • New governance compliance regime - refer to new Practitioners' Guide 2021 	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2021-22, including the Bank Reconciliation.</p> <p>NB The Gross Income = £16,662 and Gross Expenditure = £15,441 below the "Exemption" threshold (£25,000) for 2021-22.</p> <p>Post Audit Note: Revised CERTIFICATE OF EXEMPTION for 2021-22 signed by the Chairman - Council 19 May 2022 Min 05.22.07c</p> <p>AGAR 2020-21 Part 3 approved by Council 20 May 2021 Min 05.21.10 D & E. The RFO had signed-off the Statement of Accounts on 18 May 2021</p> <p>Date of Announcement - 21 May 2021</p> <p>Public Inspection period – 14 June to 23 July 2021</p> <p>Evidence – posted 5 June 2021 as per Vision ICT Ltd</p> <p>NB Councils are requested to formally minute the Public Inspection Period as part of the AGAR approvals Extract from Detailed Instructions issued by PKF Littlejohn</p> <p>Publishing means inclusion on the authority's website*. Publication on a notice board is not mandated but is good practice;</p> <p>Extract from Publication Requirements shown on Page 1 of the AGAR Form 3</p> <p>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"> • 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? • Trust Funds/Charities – Charity Commission filing? • Annual review of the effectiveness of Internal Audit inc. Appointment of IIA • Website host and Webmaster and any changes? • Website functionality & accessibility (23 Sept 2020 deadline) NALC L09-18 • TRANSPARENCY CODE compliant especially for Exempt Authorities • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters inc DPO arrangements 	<p>The Clerk uses her own laptop and the back-up arrangements have been changed to the more efficient “RAID backup” system. In addition all files are backed up in “the icloud drive”, available from any machine with the right passwords.</p> <p>Not applicable</p> <p>Council approved my re-appointment for 2021-22 - 18 March 2021 Min 03.21.09 (e)</p> <p>Vision ICT Ltd website platform Cllr Hobson used to assist the Clerk to keep the website and the Council Facebook pages up to date. However, he resigned due to other commitments, Clerk to take on total responsibility for both - Council 21 Oct 2021 Min 10.21.19 subject to capacity.</p> <p>The Accessibility Statement on the website was last reviewed in August 2020.</p> <p>The email policy refers to the Clerk’s email address clerk@sellingparishcouncil.gov.uk as the main address for the Council but all Cllrs have similar email address formats for the sole use of Council business to be compliant with GDPR, ie cllr.name@sellingparishcouncil.gov.uk</p>
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