

Risk Assessment
HIGH 0
MEDIUM 1
LOW 15

Selling Parish Council
INTERNAL AUDIT 2019-2020
AUDIT PLAN WITH COMMENTS / FINDINGS

I am pleased to report to Members of the Selling 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 14 May 2020.

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.

I would like to take this opportunity to thank the Clerk, Ms Wendy Gregory for her assistance given to me during my audit visit.

Area	Item	Comments / Findings Annual Audit 14 May 2020
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>Exemption Certificate signed by RFO & Chairman on 18/19 Sept 2019</p> <p>AGAR 2018-19 and related statutory notices are available on the website</p> <p>AMAR signed off 22 Aug 2019. Internal Audit Report dated 3 Oct 2019. The Council considered my Report at the Council meeting held on 17 Oct 2019 Min 11a. The minute confirmed the back-up arrangements and exchange of storage devices with the Chairman at each Meeting. The Council would also seek information about the internet banking facility offered by Unity Trust Bank.</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>Scanned the minutes for the year as evidenced by reference within this Report.</p> <p>Covid-19 has forced the introduction of "virtual meetings" conducted using "Zoom", the first meeting was held on 16 April 2020. Well done for sorting this out so quickly and efficiently.</p> <p>CLERK has passed the ILCA course and continuing towards the CILCA qualification.</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 ? • DPl's complete • DPl's on website or weblink • New Governance Compliance • NEXT ELECTION ? 	<p>May 2019 Election of the 7 seats available 5 nominations were received and duly elected.</p> <p>Cllr Woollett co-opted 11 July 2019 (Min 15), first meeting 29 July.</p> <p>Cllr Day co-opted 20 Feb 2020 (Min 02.20.04)</p> <p>Council 15 June 2019 Min 5 the Code of Conduct and Nolan rules were adopted. Cllr Webb "said he was not prepared to agree to observe the Code or Rules as outlined in the agenda."</p> <p>I have assumed Cllr Webb resigned in June 2019 as minuted 11 July 2019 Min 5b) although no name was provided.</p> <p>May 2023</p>
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 New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>The Council convened a special meeting in November 2019 to go through its policies, which included Standing Orders and Financial Regulations. The reviewed Policies were formally adopted by the Council at its meeting 21 November 2019.</p> <p>Standing Orders Min 11.21.12 i) Financial Regulations Min 11.21.12 ii)</p> <p>Covid-19 Council 19 March 2020 Min 03.20.00 agreed a 4-month period of delegation from 19 March 2020 to Friday 10 July 2020 to the Proper Officer of the Council (the Clerk) in consultation with the Chairman and Vice Chairman to transact normal business of the Council including expenditure up to £2,000 per item.</p> <p>Yes</p> <p>Yes</p>
		Yes

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? ○ ANNUAL REVIEW ? ● 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 (SIC)? ● Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? 	<p>Risk Assessments were approved and adopted by Council 21 Nov 2019 Min 11.21.12 v)</p> <p>Council 15 May 2019 Min 11 approved the insurance renewal with Zurich Municipal from 1 June 2019 to 31 May 2020.</p> <p>The Fidelity cover = £25,000</p> <p>Other policies reviewed and adopted by Council 21 Nov 2019 included- Press and Media, Social Media and Email Policy Min 11.21.12 iii) General Privacy Notice Min 11.21.12 iv) Freedom of Information Policy Min 11.21.12 v)</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"> <input type="checkbox"/> Budget/Precept amounts minuted? Is the actual performance against the budgets reported to the Council during the year <ul style="list-style-type: none"> <input type="checkbox"/> Compare with Fin Regs? Are significant variances explained in sufficient detail? 	<p>The 2020-21 Budget and Precept was discussed by Council on 19 Dec 2019 (Min 12.19.13 b) & c)</p> <p>The Budget was reduced by £1,000 from the figures presented and also agreed that all costs related to streetlight repairs would be funded from Reserves. The actual net Budget of £18,076 approved was not minuted, it should be, although the Budget has been posted to the website.</p> <p>The Precept Request was £13,000.</p> <p>The Clerk produces an updated bank position at each Council Meeting but no real Budget Monitoring was done during the year.</p> <p>Post Audit Note: The Clerk advised that the "budget" is always considered before committing to a payment and the budget is shown against each category in the cashbook.</p>
<p>Section 137 expenditure</p> <p>£8.12 FOR 2019-20 (£7.86 FOR 2018-19)</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>Poppy wreath</p>
<p>Book-keeping</p>	<ul style="list-style-type: none"> Cashbook - is it: <ul style="list-style-type: none"> <input type="checkbox"/> Fit for purpose? <input type="checkbox"/> Up to date? <input type="checkbox"/> Arithmetically correct? <input type="checkbox"/> Balanced regularly? 	<p>Excel spreadsheet</p> <p>Yes Yes Yes Yes</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>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>The Clerk, Ms Wendy Gregory whose appointment was confirmed by Council 29 July 2019 Min 4ii is the only employee contracted to work This pw commenced 12 August 2019.</p> <p>Post Audit Note: Contracted hours increased to 10 hrs pw from 1 April 2020 as per Council 21 May 2020 Min 05.02.19 and the Clerk to seek quotes from Payroll providers.</p> <p>The payroll was outsourced to McCabe Ford Williams, but brought back in-house. BUT see Post Audit Note: above about possible out-sourcing.</p> <p>N/A</p>

Payments		
<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 2019-20, check parity for 2018-19 ? 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? • 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>Sample check of invoices and payments made during te year was conducted during my visit. No errors or omissions were found.</p> <p>A list of payments made is recorded in the Minutes showing the Chq No., Payee and description, the net sum and Vat payable if applicable.</p> <p>DD for SSE street lighting costs</p> <p>The staff costs definition has been complied with.</p> <p>VAT reclaimed for 2018-19 = £1,152 received 8 May 2019</p> <p>VAT claim for 2019-20 to be submitted = £1,394</p> <p>SSE – electricity supply to street lighting</p>

<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 • Are internal controls of cash adequate? • Are invoicing arrangements adequate? 	<p>Apart from the refund of VAT and monthly bank interest there was one miscellaneous receipt of £100 received in Feb 2020.</p> <p>Precept and lighting grant received in April and October each year.</p>
<p>Bank reconciliation & PWLB Loans</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>The Council continues to bank with NatWest, the account balances as at 31 March 2020 were-</p> <p>Current account - £20,228 Business Res account - £5,215 TOTAL - £25,443</p> <p>There were 7 unpresented cheques with a total value of £5,180</p> <p>In my previous Report I suggested the possible move to internet banking with Unity Trust Bank, which had a well-tried system within the parish council community that preserved the 2-signature rule. This matter was discussed by Council on 21 Nov 2019 Min 11.21.14, and agreed that if the bank mandate issue with NatWest could be resolved the preferred option was to stay with NatWest and continue with cheques.</p> <p>The Annual Parish Meeting 15 May 2019 agreed to remove the names of the former Cllrs from the Bank Mandate and replace them with the names of new Cllrs. Details of the names were not minuted.</p> <p>As part of the 21 Nov 2019 decision the Clerk made a further attempt to update the bank mandate to include the existing signatories Cllrs Hobson and Saunders and to extend it to include Cllr Bowles and the Clerk, Mrs Gregory to be the point of contact and receive all correspondence, statements and bank stationery as required. Post Audit Note: This is an ongoing issue with NatWest and is being resolved albeit slowly and even slower in the current situation</p> <p>No Loans</p>

<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>The retiring Chairman had purchased a new laptop for sole use by the Clerk to the Council. The reimbursement was approved 15 May 2019 Min 6 b)vii Acer Aspire 3 plus HP Officejet printer and software total cost £599.</p> <p>The Total Assets as at 31 March 2020 was £7,676</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 • PROOF of public rights provision during summer 2019 & website-- AIAR ICO L • New governance compliance regime - refer to new Practitioners' Guide 2019 	<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>AGAR Part 2 approved by Council 19 Sept 2019 Min 13ai & 13aii</p> <p>Date of Announcement – 19 Sept 2019</p> <p>Public Inspection period – 24 Sept to 8 Nov 2019</p> <p>Evidence – The evidence of posting of the AGAR and Public Rights Notice shows a posting date of 27 Sept 2019, 3 days after the commencement of the Inspection Period. The posting should have been at least 1 day before the start ie 23rd Sept or earlier, therefore the ICO L will be a "NO".</p> <p>NB The Clerk did point out that the "notices" were placed on the noticeboards, which is still the primary source of information for most people in the Village. Unfortunately, there is a specific requirement to place the AGAR and Notices on the Council's website and it is this requirement that is being tested in the AIAR ICO L</p>

Additional tests – (as necessary)			
<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 & accessibility NALC L09-18 • TRANSPARENCY CODE compliant ? • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters 	<p>The Clerk uses the Council's laptop and exchanges the "memory stick" back-ups with the Chairman at each Council Meeting.</p>		<p>The Council used the free website provided by EIS (KCC) for many years but at the Annual Meeting in 15 May 2019 (Min 8) agreed a contract with Vision ICT to provide a new website to be ready in early June 2019.</p> <p>Council 15 June 2019 agreed to a change of "domain name and email addresses for each Cllr using the "gov.uk" domain in line with government recommendations. Vision ICT would incorporate this as part of the new website build. The website went live on Friday 16 August 2019.</p> <p>At the Council meeting held on 19 Sept 2019 (Min 6) refers to a discussion concerning the "Web Accessibility Requirements". Vision ICT would provide an Accessibility Statement, the Statement is on the website but has not been updated since Sept 2019. The Council needs to seek confirmation from Vision ICT on compliance with the Accessibility Regs 2018. During the course of my Audit Visit I suggested the Clerk view two websites of Clients that I had recently audited who had what I would describe as an "accessibility app" view www.branchleyvandmatfield.co.uk and www.wrothampc.org</p> <p>The General Privacy Notice is available on the Policies webpage as is a Press and Media, Social Media and Email Policy.</p> <p>The email policy refers to the Clerk's email address 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 clerk@sellingparishcouncil.gov.uk</p> <p>NB Cllr Bowles uses his KCC Members email address "@kent.gov.uk"</p>