

<b>Risk Assessment</b> <b>HIGH</b> 0 <b>MEDIUM</b> 1 <b>LOW</b> 15	<b>Meopham Parish Council</b> <b>INTERNAL AUDIT 2020-2021</b> <b>AUDIT PLAN WITH COMMENTS / FINDINGS</b> <p>I am pleased to report to Members of the Meopham 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 2021, following my audit visit and subsequent conversations on 14 June 2021.</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 Sarah Eggesden and Ms Nicki Jeram Asst Clerk for their assistance given to me during my audit visit.</p>	
<b>Area</b>	<b>Item</b>	<b>Comments / Findings</b> <b>Year-end Audit 31 March 2021</b>
<b>Previous Audits</b>	<ul style="list-style-type: none"> <li>• <b>Date of last External Audit Certificate or Exemption Certificate for 2019-20</b></li> <li>• Comments if any</li> <li>• Publication on website.</li> <li>• Date of last Internal Audit</li> <li>• Comments if any</li> <li>• Review of any items outstanding from previous internal / external audit reports.</li> </ul>	<p>PKF Littlejohn signed off the AGAR 2019-20 on 10 Nov 2020. Reported to A&amp;R 24 Nov 2020 Min A.25</p> <p>There were no comments.</p> <p>Posted on the website</p> <p>28 August 2020 Considered by A&amp;R 15 Sept 2020 Min A.7</p>

<p><b>Minutes</b></p>	<ul style="list-style-type: none"> <li>• Scan of the minutes of the Council's meetings and the Finance Committee.</li> <li>• <b>Virtual Meetings ?</b></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>Minutes for 2020-21 scanned, primarily the Council and the Administration &amp; Resources Committee (A&amp;R)  There was a big gap in Meetings from 17 March 2020 to the first Virtual Council Meeting via Zoom held on 16 June 2020 due to the Covid-19 pandemic. Council agreed to a schedule of virtual meetings and the monthly subscription to Zoom, Mins A11 and A12 and a Remote Meeting Protocol adopted in Sept 2020. The Council were made aware of the cessation of the legality of the "virtual meeting" beyond 7 May 2021. <b>Post Audit Note:</b> Council Meeting held on 21 June 2021 was held at the Cricket Pavilion to approve the AGAR for 2020-21. <b>BUT since then all Council Meetings appear to be held remotely via Zoom, which is not the most appropriate arrangement and could be challenged. The minuted decisions have been actioned under temporary delegated authority of the Clerk.</b></p> <p>The Council qualified for the GPC powers with 8 out of 12 elected Cllrs in May 2019 Elections and adopted these "Powers" at the May 2019 ACM – Min ref C33 &amp; C34. <b>NB I assume this power will be lost unless the new Clerk/RFO is appropriately qualified?</b></p>
<p><b>Code of Conduct/ Acceptance of Office</b></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>Changes in Councillor membership during 2020-21 include-  Resignation of Cllr Madgwick Council 16 June 2020 Chairman announcement at start of the Meeting with immediate effect.  Co-option of Mr Graham Green Nurstead &amp; Hook Green Ward and Mr Antony Bourke to Camer and Meopham Green Ward – Council 13 Oct 2020 Min A44  Disqualification of Cllr Innes – 20 Oct 2020 Min A48  Co-option of Mr Chris Dalby to Camer and Meopham Green Ward – Council 19 Jan 2021 Min A.100  DPI link to Gravesham BC website  May 2023</p>
<p><b>Standing Orders and Financial Regulations</b></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 re Covid -19 ?</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 reviewed/updated on 14 May 2019</p> <p>Fin Regs reviewed again by Admin &amp; Resources Comm 24 Sept 2019 Min A.8 and Council 28 Oct 2019</p> <p>Coronavirus Emergency Plan for Meopham PC approved by Extraordinary Council Meeting on 17 March 2020 Min C.182</p> <p><b>As mentioned above under the Minutes Section, the Council is meeting remotely and relying on the temporary delegated authority of the Clerk to action the decisions. The "Temporary Delegated Authority" should be made available on the Council's website for residents and others to view.</b></p>

Risk Management

- **Risk Assessments** – Are they:
  - Carried out regularly?
  - Adequate?
  - Reported in the minutes?
  - **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?

The play equipment inspection regime was changed to reflect the Covid-19 advice on closure and re-opening of such facilities during 2020-21.

Annual Review of Risk – A&R Comm 24 Nov 2020 Min A.31

The Council benefitted by the 3-year LTA for insurance services provided by Zurich Municipal which ran until 31 May 2021. The A&R Committee approved the renewal of the LTA with Zurich Municipala for a new 5-year period to 31 May 2026 – A&R Comm 15 June 2021 Min A.46

Fidelity Guarantee cover = £250,000

Statement of Internal Control for year ending 31 March 2021 approved by Council 30 March 2021 Min A.129

The Policies & Documents webpage contains a list of adopted policies and procedures ranging from the Standing Orders and Financial Regulations to very specific policies such as the Harassment Policy (amendments approved by Council 16 Feb 2021 Min A.110)

The A&R Comm are mainly responsible for reviewing the policies.

<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> </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>Covid-19 implications ?</b></li> </ul>	<p>Budget Monitoring Reports are provided to the A&amp;R Committee eg 24 Nov 2020 Min A.26-29 (Council 8 Dec 2020 Min A.85) expenditure report up to 30 Nov 2020. A&amp;R 9 Feb 2021 Min A.39 (Council 30 Mar 2021 Min A.126) expenditure report up to 30 Mar 2021</p> <p>Budget 2021-22 discussed at A&amp;R 24 Nov 2020 Mins A.30.  Budgets on the website 2021-22 = £119,067 (£106,826 2020-21) Tax base 3057.65 Band D tax = £38.92 (£34.94pa 2020-21) increase per household = £3.98pa (11%)  Approved by Council – 8 December 2020 Min A.84</p>
<p><b>Section 137 expenditure</b></p> <p><b>£8.32 FOR 2020-21</b> (£8.12 FOR 2019-20)</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>Not used in 2020-21</p>
<p><b>Book-keeping</b></p>	<ul style="list-style-type: none"> <li>• Cashbook - is it: <ul style="list-style-type: none"> <li>○ Fit for purpose?</li> <li>○ Up to date?</li> <li>○ Arithmetically correct?</li> <li>○ Balanced regularly?</li> </ul> </li> </ul>	<p>Scribe Accounts replaced Sage Accounts from 1 April 2020, the transfer has been assisted by Maureen Innes of MI Payroll &amp; Bookkeeping</p> <p>Yes  Yes  Yes  Yes</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 during the year?</li> <li>• Have there been any changes to individual contracts during the year?</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>Staffing arrangements - Clerk Ms Eggesden (p/t 29hrs pw) plus two Asst Clerks, Ms Jerram (20 hrs pw) and Ms Barker (10hrs pw)</p> <p>Extraordinary Meeting 25 Feb 2020 approved the Personnel Comm proposals and approved by Council 20 Feb 2020 Min C.178 ie:- Office open Monday to Thursday only Increase in hours for the Second Clerical Asst from 5 to 10 hrs pw Increase in the hours of the Clerk from 25 to 29 hrs pw to allow 4 hours of work from home on a Friday.</p> <p>Staff appraisals reported to Council 30 Mar 2021 Min A.136, approved change of job title for N Jerram to Asst Clerk. Council 6 May 2021 – closed meeting discussed replacement of the Clerk &amp; RFO, Ms Sarah Eggesden who had tendered her resignation. Min FC.36 to advertise the role of Clerk/RFO for 30hrs pw and Min FC.37 to advertise for a Financial Assistant for 30 hrs pw. <b>Post Audit Note:</b> Ms Eggesden to leave on 31 Oct 2021</p> <p>Payroll administration outsourced to MI Payroll and Bookkeeping</p> <p>LGPS Pension Regulator re-enrolment &amp; re-declaration and Kent Pension Fund</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 2020-21, check parity for 2019-20 ? 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>Schedules of payments provided with the Minutes as an appendix to the A&amp;R and Council Meetings. Includes Lloyds Bank Debit Card, Direct Debits and cheques, plus Unity Trust Standing Orders &amp; Direct Debits and on-line payments.</p> <p>SO's &amp; DD's for - MI Bookkeeping, ARC Office Systems, BT and SSE</p> <p>Staff costs within the Scribe Accounts compliant with the Box 4 staff cost definition</p> <p>VAT Registration completed due to proposed Judson's Pavilion Project – A&amp;R 24 Sept 2019 Min A.4 VAT Claims;- 1 to 30 Apr 2020 - £11,036 1 to 31 May 2020 - £1,648 1 to 30 June 2020 - £665 1 to 31 July 2020 - £1,408 1 to 31 Aug 2020 - £2,301 1 to 30 Sept 2020 - £1,679 1 Oct to 31 Dec 2020 - £1,003 1 Jan to 31 Mar 2021 - £1,903 Total VAT received during 2020-21 = £48,315</p> <p><b>Sample contracts in place</b></p> <p>MI Payroll &amp; Bookkeeping - payroll and bookkeeping services May Harris – Parish Office Cleaning and Pitfield Toilets cleaning ARC Office System Ltd – photocopying charges GWT Media Ltd – IT support and emails Capstan Group Services Ltd – Main contractor for Judson's Pavilion build Element UK Ltd – bi-monthly cleaning contract H Antwiss (Toolbox) – various repair and installation works Highview Trees – service contract in place Invicta Law – Parish Council legal scheme Landscape Services – JCLI contract</p>
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Receipts	<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 136 payments</li> <li>• Are internal controls of cash adequate?</li> <li>• Are invoicing arrangements adequate?</li> <li>• <b>Covid-19 implications?</b></li> </ul>	<p>Precept 2020-21 = £106,826  The other major source of Income related to the funding of the Pavilion refurbishment.  Judson's Pavilion Refurbishment – £124,000 in 2020-21</p>
Bank reconciliation & PWLB Loans	<ul style="list-style-type: none"> <li>• What current/deposit accounts exist?</li> <li>• FSCS aware and compliant?</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>Bank Reconciliations presented to A&amp;R checked by two Cllrs against actual bank statements</p> <p><b>Bank balances as at 31 March 2021 were:</b>  Lloyds Treasurers Account (2403) - £71,279  Unity Trust Bank (5821) - £50,078  <b><u>TOTAL - £121.357</u></b></p> <p>Lloyds Bank Debit Card</p> <p><b>All of my clients have experienced difficulties in updating the bank signatories during the Covid-19 pandemic. The Clerk advised that she needs to obtain more signatories for Unity Trust Bank to provide more resilience and to be able to “rota the signatories”.</b></p> <p>No loans</p>

<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 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>The refurbishments works of the Judson's Field Pavilion is the main reason for the increase in the Council's Asset Register value as at 31 March 2021 = £463,907 up from £295,026, 31 March 2020.</p> <p>Other new items include a new noticeboard at Judson's Field - £2,722</p> <p>During 2020-21 there have been ongoing discussions with GBC and KCC about the transfer of responsibility of street lighting with potential significant budgetary implications for the parish council</p>
<p><b>Year-end procedures Inc. AGAR</b></p>	<ul style="list-style-type: none"> <li>• Does the <b>2020-21 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 2019-20 AGAR &amp; Certificate of Exemption if applied</b></li> <li>• <b>PROOF of public rights provision during summer 2020 &amp; website- AIAR ICO L</b></li> <li>• New governance compliance regime - refer to new <b>Practitioners' Guide 2020</b></li> </ul>	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2020-21, including the Bank Reconciliation.</p> <p>The 2019-20 AGAR was approved by Council on 21 July 2020 Min A.39 &amp; 40, the RFO signed-off the Statement of Accounts on 15 July 2020</p> <p><b>Date of Announcement - 22 July 2020</b>  <b>Public Inspection period – 23 July to 3 Sept 2020</b>  <b>Evidence –</b> The Clerk provided evidence of the website posting dated 22 July 2020</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>• Record keeping and the arrangements in place to store previous year’s accounts etc.</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>• TRANSPARENCY CODE compliant ?</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 back-up arrangements have not changed with the Accounts software backed-up via a “cloud based” provider and copies e-mailed to the Clerk and Ms Innes as a further back-up. Dropbox Pro is used to back-up of all the Councils records in the “cloud”. An additional weekly back-up on an external hard drive is done by the Clerk. GWT Media Ltd who have developed the website also provide managed IT support for emails</p> <p>Post Audit Note: A&amp;R Comm 15 June 2021 Min A.12 approved “AdHoc IT” for IT support</p> <p>Website host GWT Media website domain paid for via Namesco. During the 2020-21 Year Councillors have discussed a new website specification with a view of changing the website platform, discussions are on-going.</p> <p>An Accessibility Statement was approved by the A&amp;R Comm on 25 February 2020 Min A.71 and is available to read on the website In my Report last year I mentioned the “accessibility issues” with the Clerk and suggested several other parish websites with accessibility apps to view <a href="http://www.brenchleyandmatfield.co.uk">www.brenchleyandmatfield.co.uk</a> and <a href="http://www.wrothampc.org">www.wrothampc.org</a> This could still be considered pending a new website being developed.</p> <p>The Clerk advised that no progress had been made with regard to “dedicated email addresses” for Cllrs which provided enhanced security and better GDPR compliance. <b>Post Audit Note:</b> Council 13 July 2021 Min FC.68 approved the setting up of a Working Party to investigate the merits of moving to a parish council email system.</p>
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