

Risk Assessment HIGH 0 MEDIUM 1 LOW 15	Dunkirk Parish Council INTERNAL AUDIT 2020-2021 AUDIT PLAN WITH COMMENTS / FINDINGS <p>I am pleased to report to Members of the Dunkirk 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 16 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 Matthew Bullen for his assistance given to me during my audit visit.</p>	
Area	Item	Comments / Findings Year-end Audit 31 March 2021
Previous Audits	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2019-20 • 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>The Council’s income and expenditure was below £25,000 for 2019-20, hence the Council signed-off a Certificate of Exemption for 2019-20 on 20 July 2020, Gross income £16,095 and Gross Expenditure £15,296</p> <p>The Internal Audit was conducted on 21 July 2020 with the Chairman of the Council, as the Clerk had resigned. The Audit Report was reviewed again and actions updated/noted by full Council 26 April 2021 Min 10. Actions to include SBC website is updated with current Cllr information, VAT claims for 2019-20 & 2020-21 prepared and Risk Assessments updated.</p>
Minutes	<ul style="list-style-type: none"> • Scan of the minutes of the Council’s meetings and the Finance Committee. • Virtual Meetings ? • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>The arrival of Covid-19 in March 2020 resulted in the Council not meeting until 20 July 2020, which was around the time the Clerk Richard Bartley resigned. The meeting was a “face to face “ meeting at the Village Hall.</p> <p>Virtual Meetings from 17 Aug 2020 via Zoom. Virtual Meetings came to an end on 7 May 2021 (Council 26 April 2021 Min7) but the Village Hall was not due to re-open until 21 June 2021 as part of the Govt’s plan for lifting the Covid restrictions and the “re-opening” such facilities. The Annual Parish Meeting was held “virtually” on 4 May 2021. The scheduled 17 May 2021 Council Meeting was held outdoors in the Village Hall Car Park.</p> <p>A lot of the sets of Minutes have no minute numbering making cross-referencing difficult but this has been rectified by the new Clerk.</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>Were 6 Cllrs with 1 vacancy as at 1 April 2021. Cllr Hitch to step down as per Council 4 May 2021 Min 5 creating a second vacancy, resignation confirmed 21 June 2021 Min 10. Jason Clifford co-opted – Oct 2020 minuted at Council 21 Sept 2020</p> <p>The DPI link to the Swale BC website is not readily available. The Councillor information on the website does not cover all the DPI information required.</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 re Covid -19 ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Standing Orders and Financial Regulations were reviewed by Council 26 April 2021 Min 10 and felt to be current and accurate, new Documents to be re-dated 26 April 2021.</p> <p>Based on the NALC Models</p> <p>Two-signature rule in place.</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?

Annual Review of Risk agreed by Council 17 May 2021 Min 7

Insurance with Zurich Municipal renewed for a further 1 year to 25 Jan 2021 Council 6 Jan 2020 – Min 20.05 - 1.
Insurance renewed with Zurich for a 3-year Long-term Agreement to Jan 2024, as reported to council 18 Jan 2021

£250,000

Statement of Internal Control and the Privacy Notice were reviewed by Council 26 April 2021 Min 10 and felt to be current and accurate, new Documents to be re-dated 26 April 2021.
The same meeting Min 11 Council agreed the proposed changes to the Communications Policy and the addition of a new Social Media Policy to be adopted.

The above policies and others are available on the Council's website.

<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? • Covid-19 implications ? 	<p>Clerks Budget Report for 2021-22 on the website presented to Council January 2021. Precept Request for 2021-22 - £13,714 reduced from £14,907 (2020-21 which contained a one-off sum to help pay for the LED street lighting upgrade). Proposed Band D Tax = £26.88 based on a reduced Tax base of 510.27 for 2021-22 a reduction from £28.76 levied in 2020-21. Agreed Budget for 2021-22 = £19,820</p> <p>NB The approval of the Annual Budget and the corresponding Precept Request for 2021-22 is not clearly “minuted” although the various Financial Reports and completed Precept request form sent to Swale BC are available on the website.</p>
<p>Section 137 expenditure</p> <p>£8.32 FOR 2020-21 (£8.12 FOR 2019-20)</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>Not used in 2020-21</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>Excel spreadsheets</p> <p>Extracts are published on the Councils website eg Budget papers and spend listings.</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 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 PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>Previous Clerk Mr Bartley resigned, formally noted by Council 20 July 2020 Min 8. There is still an ongoing discussion between the ex Clerk and the Council about a final settlement of pay/expenses etc following the sudden resignation of the Clerk, which happened during the first 6-months of the Covid pandemic when the Council was grappling with the many difficulties caused by the various covid restrictions.</p> <p>Locum Clerk for August 2020 Meeting</p> <p>New Clerk Matthew Bullen appointed on 28 Sept 2020 - Council 21 Sept 2020</p> <p>HMRC online PAYE software is used by the Clerk</p> <p>No employees enrolled with a Work Place Pension scheme.</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 2020-21, check parity for 2019-20 ? 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>The payments are not listed within the Minutes, instead the new Clerk posts copies of the Finance Reports on the website (under Financial Information), which include the payments approved by Council</p> <p>Staff costs definition complied with (£4,562 in Box 4)</p> <p>There were no VAT claims made in 2020-21. There is £980 VAT to be claimed from 2019-20as well as the 2020-21 VAT paid = £2,025 Post Audit Note: VAT claims made and sums received as reported to Council 19 July 2021 ie £992 for 2019-20 and £2,126 for 2020-21</p> <p>Prime One Maintenance – streetlight maintenance and LED upgrade during 2020-21 G Doy – grass cutting contract Eon - electricity supply to streetlights Mr Moon – Playing Field Mowing – Council 21 Sept 2020 Min i)</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? • Covid-19 implications? 	<p>Other than the Precept and Lighting Grant received from Swale BC, the only other income received of note was £900 from KCC towards the costs of a new website.</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 and if in place Financial Regs updated ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>NatWest Bank account balances as at 31 March 2021 –</p> <p>Current Account (5269) - £2,576 Deposit Account (0136) - <u>£9,614</u> TOTAL - £12,190 * unrepresented cheques amounted to £86 = £12,104 (Box 8 AGAR)</p> <p>Council 17 Aug 2020 Min 9d due to ongoing dissatisfaction with NatWest it was resolved to open a new bank account with Unity Trust Bank who provided an on-line banking service popular with many Kent parish councils. Post Audit Note: The Council has not pursued the change of bank and was still with NatWest as at 31 March 2021.</p> <p>No change in signatory lists with the Clerk as the Administrator receiving the bank correspondence etc.</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>New LED streetlights (£5,757 + vat) – Council 19 Oct 2020</p> <p>Asset Register figure for 31 March 2021 increased to £29,670</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2020-21 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 2019-20 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2020 & website– AIAR ICO L • New governance compliance regime - refer to new Practitioners' Guide 2020 	<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>A Certificate of Exemption for 2020-21 can be signed by the Council, Gross Income £19,335 and Gross Expenditure £21,510</p> <p>The Certificate of Exemption and Sections 1 & 2 of the AGAR 2019-20 were signed off by the Council on 20 July 2020 Min 7.c.1</p> <p>Date of Announcement - 24 July 2020 Public Inspection period – 27 July to 7 Sept 2020 Evidence – evidence held on the old website now no-longer available.</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 • Website host and Webmaster and any changes? • Website functionality & accessibility (23 Sept 2020 deadline) 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 inc DPO arrangements 	<p>Back-up of the Council’s computer records was set-up on DropBox by the former Clerk Ms Blackshaw, providing access to files by Councillors</p> <p>Re-appointed Council 6 Jan 2020 Min 20.08d)</p> <p>Council 17 Aug 2020 Min 10, approved Cllr Kemp to undertake website training with 2commune the new website provider and a web designer (Jason Kemp) to be employed for 3 days to migrate files from the old website to the new. Website went live in Nov/Dec 2020. www.dunkirk.org.uk domain name renewed for 3-years Facebook Page – Council 15 March 2021 Min 7 to be run as a 3-month trial</p> <p>The Council is in the process of transferring its website data to a “2Commune” website platform and have signed a 2-year deal to 31 March 2021. Accessibility test carried last carried out by 2commune Limited 14 Aug 2020 prior to the website going live.</p> <p>Privacy Notice adopted, email disclaimers and ICO registration were approved – Council 24 June 2019 Min 10 Cllr email addresses via Namesco renewal paid via Oct 2019 Meeting, this provides 10 email boxes, upgraded recently to 2gb capacity for a 2-year period renewed by the out-going Clerk Mr Bartley. Email addresses eg cllrbloggs@dunkirkpc.org.uk</p>
--	---	--