

<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>Dunkirk 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 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 2022, following my audit visits and subsequent conversations on 22 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 Matthew Bullen 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 9 years, my first audit visit was in 2013!</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><b>Previous Audits</b></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>The Council’s income and expenditure was below £25,000 for 2020-21, hence the Council signed-off a Certificate of Exemption for 2020-21 on 21 June 2021, Gross income £19,335 and Gross Expenditure £21,510</p> <p>The Exemption Certificate, the AGAR and additional info required like the Bank Reconciliation as at 31 March 2021 has been posted to the Council’s website.</p> <p>Internal Audit 16 June 2021 considered by Council 21 Feb 2022 Min 9</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>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 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. Meetings from June 2021 resumed inside the Village Hall.</p>

Code of Conduct/ Acceptance of Office	<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>There were 6 Cllrs with 1 vacancy as at 1 April 2021. Cllr Hitch resigned Council 4 May 2021 Min 5 creating a second vacancy, resignation confirmed 21 June 2021 Min 10. Nicola Smith co-opted 19 July 2021 Min 11, first meeting 16 August 2021 Greg Hewett co-opted at the Planning Committee 6 Sept 2021 Min 2 17 Jan 2022 Min 2 – change of Chairman to Cllr Kevin Kemp with immediate effect. <b>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.</b></p>
Standing Orders and Financial Regulations	<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 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><b>The Financial Regulations needs to amended to include internet banking.</b></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?
  - **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?

Not applicable

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 (SIC) and the Privacy Notice were reviewed by Council 26 April 2021 Min 10 and felt to be current and accurate, the documents to be re-dated 26 April 2021 and posted to the website. The SIC was reconsidered prior to the approval of the AGAR 2020-21 on 21 June 2021 Min 6

Council 26 April 2021 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><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>The Clerk had prepared Budget and Precept options for Cllrs (20 Dec 2021 Min 5c &amp; 5d) to consider and requested views from Cllrs before the Jan 2022 Meeting.</p> <p>Council 17 Jan 2022 Min 8b Budget for 2022-23 agreed at £20,185.</p> <p>Council 21 Feb 2022 Min 5c Precept for 2022-23 agreed at £20,185 (the same as the Budget) equating to a Band Tax of £32.56 compared to £26.88 an increase of 21% BUT in cash terms this is £5.68pa, approx. the cost of an average quality bottle of wine.</p> <p><b>Review of Reserves not applicable</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>Not used in 2021-22</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>Excel spreadsheets</p> <p>Extracts are published on the Councils website eg Budget papers and spend listings.</p> <p><b>Not applicable</b></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>Clerk Matthew Bullen has resigned his last working day 20 May 2022</p> <p>Council 19 April 2022 Min 9 suggests a hand-over to a new Clerk a week or two before the current Clerk leaves. 2 applicants mentioned at the Meeting to be considered by the Recruitment Committee together with any other applicants received by the deadline.</p> <p>HMRC online PAYE software is used by the Clerk</p> <p>No employees enrolled with a Work Place Pension scheme.</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 payments are not listed within the Minutes, instead the 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 (£8,325 in Box 4)</p> <p><b>VAT claims made in 2021-22.</b> As reported to Council 19 July 2021 claims of £992 for 2019-20 and £2,126 for 2020-21 were made and reimbursement received in July 2021 totalling £3,118. <b>Well done for sorting this out for periods prior to Mr Bullen's employment.</b> <b>VAT claim for 2021-22 for £1,087 to be submitted before the Clerk leaves.</b></p> <p><b>Sample contracts in place during 2021-22</b></p> <p>Prime One Maintenance – streetlight maintenance and LED upgrade during 2020-21 G Doy – grass cutting contract &amp; ad hoc jobs eg Courtenay Road vegetation clearance Council 18 Oct 221 Min 3bi Eon - electricity supply to streetlights Mr Moon – Playing Field Mowing – Council 21 Sept 2020 Min i) Tim Last – Churchyard grass cutting 2Commune Ltd – website hosting, support and licences</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 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>Other than the Precept and Lighting Grant received from Swale BC, the only other income received of note was £986 defibrillator grants from SBC.  VAT re-imburement for 2019-20 &amp; 2020-21 = £3,118  Eon electricity rebate £570</p>
Bank reconciliation & PWLB Loans	<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>NatWest Bank account balances as at 31 March 2022 –</p> <p>Current Account (5269) - £4,829  Deposit Account (0136) - <del>£9,615</del>  <b>TOTAL - £14,444</b> * unrepresented cheques amounted to £1,078 = £13,366 (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.</p> <p>Council 20 Dec 2021 Min 5e, a Councillor had looked at alternative banking options, which included a free banking service to another charging a monthly fee but this did include on-line banking. Council 17 Jan 2022 Min 8e refers to Metro Bank as the online bank provider.</p> <p>Council 21 Feb 2022 Min 6 approved the opening of a “Business OnLine Plus” account with Metro Bank, but I understand this has been put on hold for 3 months.</p> <p><b>I would strongly recommend the Council to consider opening an online bank account with Unity Trust Bank</b>, which allows for the Clerk to have “view &amp; administration rights” only, whereas authorised Councillors would have “view and authorisation” rights. Many of my Clients have moved to Unity Trust for their everyday banking and have retained the “2-signature” rule within the authorisation arrangements, which requires two Councillors to log-in and authorise the payments. Unity Trust Bank has a “switch service” to transfer bank accounts. <a href="#">Ethical Banking   Socially Responsible Business Banking UK (unity.co.uk)</a></p> <p>No change in signatory lists with the Clerk as the Administrator receiving the bank correspondence etc.</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 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>Asset Register figure for 31 March 2022 increased to £29,969</p> <p>Defibrillator at Dunkirk Village Hall – Approved by Council 20 Sept 2021 Min 8. The Clerk advised that this had been “gifted” to the Council and would therefore have a value of a nominal £1 within the Asset Register.</p> <p>Clerk to be provided with a “pay as you go” mobile phone. Council 21 Feb 2022 Min 7</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>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>A Certificate of Exemption for 2021-22 can be signed by the Council, Gross Income £21,670, and Gross Expenditure £20,409</p> <p>The Certificate of Exemption and Sections 1 &amp; 2 of the AGAR 2019-20 were signed off by the Council on 21 June 2021 Min 7 &amp; 8 &amp; 9. The RFO signed off the Statement of Accounts on 16 June 2021.</p> <p><b>Date of Announcement - 23 June 2021</b>  <b>Public Inspection period – 28 June to 6 August 2021</b>  <b>Evidence – 23 June 2021 as per notification on the website</b></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>Back-up of the Council's computer records is set-up on DropBox, providing access to files by Councillors</p> <p><b>Not applicable</b></p> <p>Re-appointed Council 21 Feb 2022 Min 9</p> <p>Cllr Kemp to undertake website training with 2commune the new website provider Website went live in Nov/Dec 2020. <a href="http://www.dunkirk.org.uk">www.dunkirk.org.uk</a> domain name renewed for 3-years There is an AtoZ of services providing the visitor with information as to the relevant tier of local government (parish, borough or county) linked with the services shown.</p> <p><b>Accessibility test last carried out by 2commune Limited 14 Aug 2020 prior to the website going live.</b></p> <p>The Asset Register should be added to the financial information available on the website.</p> <p>Privacy Notice adopted, email disclaimers and ICO registration were approved – Council 24 June 2019 Min 10</p> <p>Cllr email addresses via Namesco, provides 10 email boxes, upgraded to 2gb capacity for a 2-year period. Email addresses eg <a href="mailto:cllrbloggs@dunkirkpc.org.uk">cllrbloggs@dunkirkpc.org.uk</a> Cllrs reminded of the threat of email and internet security – Council 21 Feb 2021 Min 15</p>
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