

<p><b>Risk Assessment</b></p> <p><b>HIGH</b> 0</p> <p><b>MEDIUM</b> 0</p> <p><b>LOW</b> 16</p>	<p style="text-align: center;"><b>Dunkirk Parish Council</b>  <b>INTERNAL AUDIT 2019-2020</b>  <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 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 21 July 2020.</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 Acting Clerk/RFO, Cllr Jeff Tutt for his assistance given to me during my audit visit.</p>	
<p style="text-align: center;"><b>Area</b></p>	<p style="text-align: center;"><b>Item</b></p>	<p style="text-align: center;"><b>Comments / Findings</b>  <b>Annual Audit 21 July 2020</b></p>
<p><b>Previous Audits</b></p>	<ul style="list-style-type: none"> <li>• Date of last External Audit Certificate <b>or Exemption Certificate</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 expenditure for 2018-19 just exceeded the £25,000 threshold, which meant that the Accounts were subject to an external review by PKF Littlejohn. They signed-off Section 3 of the AGAR 2018-19 Part 3 on 16 Sept 2019.</p> <p>There was an “other matter” note confirming that the Council was “exempt” the previous year 2017-18, hence the evidence to support the prior year comparatives was not reviewed.</p> <p>The Internal Audit report dated 12 June 2019 was considered by Council 22 July 2019 Min 7c)</p> <p>The Clerk verbally reported back to Councillors some of the recommendations from the draft audit report including the need for a Risk Register, which had to be reviewed on at least an annual basis and the need for a Privacy Notice and email disclaimers as part of the compliance arrangements for GDPR.</p>

Minutes	<ul style="list-style-type: none"> <li>• Scan of the minutes of the Council's meetings and the Finance Committee.</li> <li>• Localism Act 2011</li> <li>• <b>General Power of Competence ?</b></li> <li>• Dispensations</li> <li>• S.40 LA&amp;A Act 2014 filming/recording</li> </ul>	<p>I scanned the Minutes available on the website. The Chairman was aware that the Minutes have not been regularly and promptly uploaded by the out-going Clerk Mr Bartley. The Chairman was addressing this issue.</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>• <b>NEXT ELECTION ?</b></li> </ul>	<p>6 of the previous 7 Councillors stood for re-election in an uncontested Election in May 2019, leaving one vacancy. Cllr Howland died in October 2019 as reported at Council 21 Oct 2019 Cllr Kemp appeared in Council Mins in Dec 2019 although I could find no formal Minute of his appointment</p> <p>The DPI's available on the website via a link to the Swale BC website. <b>The DPI schedule needs updating ie removal of Cllr Howland and the addition of Cllr Kemp.</b></p> <p>May 2023</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>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 20 May 2019 Min 7</p> <p>Based on the NALC Models</p> <p>Two-signature rule in place.</p>

<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>• <b>Risk Assessments</b> – Are they: <ul style="list-style-type: none"> <li>○ Carried out regularly?</li> <li>○ Adequate?</li> <li>○ Reported in the minutes?</li> <li>○ <b>ANNUAL REVIEW ?</b></li> </ul> </li>   <li>• Insurance cover – is it: <ul style="list-style-type: none"> <li>○ Appropriate/Adequate?</li> <li>○ LTA in place?</li> <li>○ Reviewed regularly?</li> <li>○ Fidelity Guarantee Cover £ (Balances + ½ Precept)</li> </ul> </li>   <li>• Internal controls – are they: <ul style="list-style-type: none"> <li>○ Documented?</li> <li>○ Adequate?</li> <li>○ Reviewed regularly?</li> <li>○ <b>Statement of Internal Control (SIC)?</b></li> </ul> </li>   <li>• Systems and Procedures – are they: <ul style="list-style-type: none"> <li>○ Documented?</li> <li>○ Adequate?</li> <li>○ Followed?</li> <li>○ Reviewed regularly?</li> </ul> </li> </ul>	<p>Risk Assessment Register was reviewed by Council 22 July 2019 Min 8</p> <p><b>The whole Council MUST ensure it carries out an Annual Review of the Risk Assessment Register it is not something that can be delegated.</b></p> <p>Insurance with Zurich Municipal renewed for a further 1 year to 25 Jan 2021 Council 6 Jan 2020 – Min 20.05 - 1. £250,000</p> <p>Statement of Internal Control for the year ending 31 March 2019 was approved by Council 20 May 2019 Min 12a)</p> <p><b>Policy documents available on the website-</b>  Communications policy (approved 24 June 2019 Min 8)  Privacy Notice  Statement of Internal Control  Standing Orders  Financial Regulations</p>
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<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> </ul>	<p>Monthly Finance Report included Bank Balances, Income &amp; Expenditure, and comments on any outstanding cheques. Plus a payment schedule to approve, which is subsequently included in the Minutes.</p> <p><b>Budget and Precept 2020-21</b>  Council 16 Dec 2019, Cllr Tutt presented options  Council 6 Jan 2020 Min 20.08d) deferred until Extraordinary Meeting 13 Jan 2020.  Budget of £27,000 agreed Min 20.18a Band D increase for 2020-21 = £4.50pa (18.55%)  <b>Precept for 2020-21 = £14,907 Min 20.18b</b></p>
<p><b>Section 137 expenditure</b></p> <p><b>£8.12 FOR 2019-20</b>  (£7.86 FOR 2018-19)</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>Limit use</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>Excel spreadsheet in use.  This was maintained by the former Clerk Louise Blackshaw until August 2019, it was then carried on by the new Clerk Lizzie Talbot in Sept/Oct 2019 after which the Chairman has taken responsibility for providing the accounting information. Mr Richard Bartley the appointed Clerk from Dec 2019 did not take over the management of the Accounts and resigned from his position prior to my Audit Visit in July 2020.</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>• Is petty cash reimbursement carried out regularly?</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>• 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 any ad-hoc payments or benefits been appropriately approved?</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>The Clerk/RFO, Louise Blackshaw tendered her resignation on 20 May 2019 Min 14</p> <p>New Clerk/RFO (Lizzie Talbot) appointed – Council 22 July 2019 Min 10a) Resignation minuted 16 Sept 2019 9d)</p> <p>New Clerk/RFO (Richard Bartley) appointed - Introduced at 16 Dec 2019 Meeting Min 3. Resignation discussed at 20 July 2020 Council meeting Item 8.</p> <p>P60 relating to Richard Bartley viewed.</p> <p>HMRC on-line software used</p> <p>Pension Regulator re-enrolment deadline 31 Dec 2019 - Min 9 – 16 Dec 2019 Confirmed no employees 6 Jan 2020 Min 20.05 -2.</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 2019-20, check parity for 2018-19 ? 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>• Are items above a de minimus amount purchased competitively?</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 listed in the Minutes providing the method of payment, payee, description and amount with a separate column for VAT if applicable. Listed in a different format with RB as Clerk – From Jan 2020</p> <p>DD in place for EDF – streetlight electricity</p> <p>Staff costs definition complied with (£4,068 in Box 4)</p> <p>VAT claim for the period 1 Nov 2018 to 31 March 2019 for £868.66 was received June 2019 VAT paid during 2019-20 = £980 claim to be made during 2020-21</p> <p>G Doy – grass cutting (3-year contract to 2022) Prime One Mtce – streetlight mtce. EDF – street light electricity D Brice/Timber Tasks – Grass cutting ? Sept 2019 inv EoN – street light electricity – new contract T Last – Churchyard Mtce.(fixed 3-year contract to 2022)</p>
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<p><b>Receipts</b></p>	<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> </ul>	<p>Other than the Precept, Street Lighting Grant and a VAT claim, the only other income was £100 received in Sept 2019 in respect of the sale of the old laptop.</p>
<p><b>Bank reconciliation &amp; PWLB Loans</b></p>	<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>• Internet Banking/Corporate Card ?</li> <li>• Signature review (Two signatures required?)</li> <li>• Any PWLB loans ?</li> </ul>	<p>Bank balances as at 31 March 2020 were –</p> <p>NatWest Current a/c (5269) - £5,529  NatWest Bus. Res a/c (0136) - <u>£9,610</u>  <b><u>TOTAL - £15,139</u></b></p> <p>Two cheques amounting to £860 were uncleared as at 31 March 2020.</p> <p>Council 20 May 2019 Min 12c) reviewed the bank mandate – removed Phillippa Clarkson and added Cllr Peter Demery  Council 22 July 2019 Min 10d) change of Clerk’s name on the mandate for admin purposes only.  <b>The Bank Mandate needs to be amended again following the recent resignation of the Clerk.</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>New laptop and printer for the incoming Clerk Council 22 July 2019 Min b) and old laptop to be sold for £100 to the Neighbourhood Plan Committee.</p> <p>New laptop £445 plus VAT – 19 Aug 2019</p> <p>The old laptop was sold for £100 to be used by the Dunkirk &amp; Boughton Neighbourhood Plan Group</p>
<p><b>Year-end procedures Inc. AGAR</b></p>	<ul style="list-style-type: none"> <li>• Does the AGAR Statement of Accounts 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 AGAR &amp; Certificate of Exemption if applied</b></li> <li>• <b>PROOF of public rights provision during summer 2019 &amp; website– AIAR ICO L</b></li> <li>• New governance compliance regime - refer to new <b>Practitioners' Guide 2019</b></li> </ul>	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2019-20, including the Bank Reconciliation. A Certificate of Exemption for 2019-20 can be signed by the Council, Gross income £16,095 and Gross Expenditure £15,296</p> <p>The AGAR Part 3 was approved and signed-off on 20 May 2019 Min 12 a)</p> <p><b>Date of Announcement – 9 June 2019</b> <b>Public Inspection period – 17 June to 26 July 2019</b> <b>Evidence – Proof of posting confirmed as 9 June 2019</b></p> <p><b>Well done, quite a number of my clients have been unable to provide evidence of posting to their 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>• Record keeping and the arrangements in place to store previous year's accounts etc.</li>   <li>• <b>Annual review of the effectiveness of Internal Audit inc. Appointment of IIA</b></li>   <li>• <b>Annual Statement of Internal Control</b></li>   <li>• Website host and Webmaster</li>   <li>• <b>Website functionality &amp; accessibility 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</b></li> </ul> </li> </ul>	<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>The Council was made aware of the EiS website position and Accessibility requirements Council 16 Sept 2019 Min 10. 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.</p> <p>During my Audit Visit I discussed the new website and the Accessibility Regulations with the Chairman and suggested viewing several other parish websites with accessibility apps/widgets, which I understand are "bolt-on" apps/widgets <a href="http://www.brenchleyandmatfield.co.uk">www.brenchleyandmatfield.co.uk</a> and <a href="http://www.wrothampc.org">www.wrothampc.org</a></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.</p>
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