

<p>Risk Assessment</p> <p>HIGH 1</p> <p>MEDIUM 2</p> <p>LOW 13</p>	<p style="text-align: center;">Tunstall Parish Council</p> <p style="text-align: center;">INTERNAL AUDIT 2021-2022</p> <p style="text-align: center;">AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Tunstall 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 29 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 Locum Clerk/RFO Ms Julie Miller for her 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. I have been working with the Council over the last 9 years, my first audit visit was in May 2013!</p>	
<p style="text-align: center;">Area</p>	<p style="text-align: center;">Item</p> <p>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p style="text-align: center;">Comments / Findings</p> <p style="text-align: center;">Year-end Audit 31 March 2022</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2020-21 • 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>AGAR Part 2 2020-21 – Certificate of Exemption signed off 16 June 2021, gross income = £23,901 and gross expenditure = £18,694</p> <p>Not applicable The AGAR Part 2 for 2020-21 has been posted to the website.</p> <p>Internal Audit Findings Report considered by Council 16 June 2021 Min 3v</p>
<p>Minutes</p>	<ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>April 2020 Council Meeting was cancelled due to the Covid-19 situation but following the “Flexibility of Local Authority Meetings” Regulations 2020 the Council has been meeting “virtually”. There was no need to bring in any emergency delegations.</p> <p>Council 1 Feb 2021 Min 15i agreed to set-up a HR Committee with 3 Cllrs, Terms of reference were approved Min 15ii. The first Committee meeting to be held on 10 Feb 2021,</p> <p>Since the end of the virtual meeting arrangements 6/7 May 2020, the Council has made arrangements to meet in the St John Baptist Church, Tunstall, subject to a limit on numbers attending.</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 ? • DPI's complete • DPI's on website or weblink • New Governance Compliance • NEXT ELECTION ? 	<p>The Council has two wards, 2 seats in the "Rural" ward and 5 seats in the "Urban" ward, there were 3 vacancies as at 31 March 2021 as Cllr Stephen had resigned on 31 March 2021, Minuted 7 April 2021 Min 1. Cllr Hibben resigned – Council 1 Nov 2021 Min 7 Cllr Roberts resigned as Chairman of the Council – Council 29 March 2022 Min 2 BUT subsequently resigned as a Councillor as of 31 March 2022. This has left the Council with just 2 Councillors, Cllrs Burgess and Rich and hence rendering the Council inquorate. DPIs are available to view via a weblink to the Swale BC website, there were 3 names listed at the time of my visit. 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? • Virtual Meetings / Delegation to Clerk/RFO still in place ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>No review since the last Report.</p> <p>Financial Regulations reviewed 2 Sept 2019 Min 9iii</p> <p>The Standing Orders were last reviewed in December 2018</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?

The Litter pickers risk assessment was reviewed in the light of additional measures regarding Covid-19 precautions as advised by an expert. – Amended doc agreed 7 Dec 2020 Meeting – Min 9i

The Council reviewed the Risk Assessments at the 7 Dec 2020 Meeting – Min 9ii

No annual review as such during 2021-22.

The Council has a new 3-year LTA in place with Pen Underwriting Ltd via Came & Co. from 1 June 2021, premium paid in June 2021.

Fidelity Guarantee cover is £150,000

The Statement of Internal Control was agreed by Council 16 June 2021 Min 3i

Policies reviewed & updated: Council 7 April 2021 Min 12 (HR Services Partnership had reviewed the policies before adoption by Council)

Equality & Diversity Policy

Grievance Policy

Disciplinary Policy

Performance Improvement Policy

H&S Policy

Sickness Absence Policy

Risk Assessment

Litter picker's RA

<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? ○ Review of All Reserves included as part of the Budget Setting Process? • 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? • Ongoing Covid-19 implications ? 	<p>As in previous years there was no regular budget monitoring during 2021-22 apart from the discussions about the next year Budget and Precept requirement, although the Council agenda usually states under Finance “Cheques raised and accounts”.</p> <p>First draft of Budget and Precept for 2022-23 considered – Council 1 Nov 2021 Min 9c to approve in Jan 2022. Precept for 2022-23 agreed = £22,080 and Budget of £23,950, Band D Council Tax rise of 5.89% (£1.74pa) – Council 10 Jan 2022 Min 9f</p> <p>The 2021-22 Accounts show a huge “Unbudgeted” cost of £25,631, a sum greater than the annual Precept mainly spent on HR advice relating to the a breakdown of relations with the former Clerk, which resulted in an undisclosed settlement in March 2022. There are lessons to be learned!</p>
<p>Section 137 expenditure</p> <p>£8.41 FOR 2021-22 (£8.32 FOR 2020-21)</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>£300 in total including a donation to the Royal British Legion and the local church.</p>
<p>Book-keeping</p>	<ul style="list-style-type: none"> • Cashbook - is it: • Fit for purpose? • Up to date? • Arithmetically correct? • Balanced regularly? • Turnover above £200k pa ? Income & Expenditure basis of accounting? • Record keeping and the arrangements in place to store previous year’s accounts etc. 	<p>Excel spreadsheets</p> <p>Not applicable</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 and/or changes to individual contracts during the year? • Members Allowances in place and paid via payroll system? • 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>Clerk Mrs Wendy Licence mutually terminated her employment on 31 January 2022.</p> <p>Interim Locum Clerk appointed for up to 4 hrs pw – Council 30 June 2021 Min 3i</p> <p>The Locum Clerk contract to be extended on a rolling basis until a new Clerk is found – Council 29 March 2022 Min 6a</p> <p>McCabe Ford Williams – payroll administration - to include pension administration (Council 24 Nov 2021 Min 3ii)</p> <p>The workplace pension provider is NEST.</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 2021-22, check parity for 2020-21 ? 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 approved are listed in the Minutes in a table showing the cheque no., payee, reason for the payment and the amount. However, there was a period during May to June 2021 when payments were not recorded in the Minutes but are shown in the Excel Cashbook</p> <p>All payments are made by cheque apart from the DD for the NEST payments</p> <p>The staff costs included in Box 4 of the Statement of Accounts is compliant with the staff cost definition and includes the settlement with the former Clerk.</p> <p>There were no VAT reclaims made in 2021-22 VAT payments made in 2020-21 = £826 to reclaim in 2022-23 VAT payments made in 2021-22 have yet to be calculated due to the administration of the Accounts by the former Chairman of the Council for a period when the former Clerk was off sick / suspended. The Chairman did not hand over the Accounts to the Locum Clerk until October 2022.</p> <p>HR Services Partnership – appointed for HR consultancy services – 10hrs support initial contract Council 23 Feb 2021 Min 4 Continued support during 2021-22 People Pillar – HR Services Mike Barnett – HR Services – specifically employed to conduct an investigation including an interview with the former Clerk (notes taken by the Locum Clerk). Mossys – planter planting and watering Mrs J Barnicott – self-employed litter picker Waveney IT – email box fees Tikspac Stations – dog poo stations including supply of poo bags</p>
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<p>Receipts</p>	<ul style="list-style-type: none"> • Are all receipts recorded correctly? • Are all receipts promptly banked? • Precept, CTSG and Sect 106 & CIL payments • Are income records inc allotments, burials, hirings adequate? • Are invoicing arrangements adequate? • Ongoing Covid-19 implications? 	<p>Other than the Precept of £20,859 the Council received other income as follows: Street Lighting Grant - £190 Bank Interest - £1</p>												
<p>Bank reconciliation & PWLB Loans</p>	<ul style="list-style-type: none"> • What current/deposit accounts exist? • Investment Strategy recommended where bank balances are in excess of £100k. FSCS aware ? • 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>Bank Balances at as 31 March 2022</p> <table border="0"> <tr> <td>Barclays Community a/c (3396)</td> <td>- £11,986</td> <td></td> </tr> <tr> <td>Barclays Business Premier a/c (2029)</td> <td>- £10,307</td> <td>(to be closed, see note below)</td> </tr> <tr> <td>Unity Trust Bank a/c (3595)</td> <td><u>- £3,446</u></td> <td></td> </tr> <tr> <td></td> <td>TOTAL</td> <td><u>£25,739</u></td> </tr> </table> <p>There were two outstanding cheques totalling £46 Box 8 on the AGAR = £25,693</p> <p>Consideration of setting up an on-line bank account with Unity Trust Bank – Council 7 Dec 2020 Min 8iii approved with a recommendation to transfer £2,000 to open the account. The Clerk, Mrs Licence reported at the April 2021 Meeting that only two Councillors had provided personal details for the bank mandate. Council 10 Jan 2022 Min 9b Locum Clerk to be added to Unity Trust mandate to allow online banking to commence and £3k transferred to Unity Trust account. Council 29 March 2022 Min 7a-c to close Barclays Premier Account and trf to Unity Trust Bank.</p> <p>Council 12 July 2021 Min 9ii resolved to remove previous Clerk (Lynda Fisher) and add Cllrs Burgess, Hibben and Roberts to the Barclays Bank mandate. The Unity trust mandate would be resolved once the Barclays mandate is confirmed. Further issues with Barclays mandate reported to 6 Sept Meeting.</p> <p>No loans</p>	Barclays Community a/c (3396)	- £11,986		Barclays Business Premier a/c (2029)	- £10,307	(to be closed, see note below)	Unity Trust Bank a/c (3595)	<u>- £3,446</u>			TOTAL	<u>£25,739</u>
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	TOTAL	<u>£25,739</u>												

<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 long-term 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>Total value at 31 March 2021 = ££8,712</p> <p>Reduced by £392 disposal of 4 barrier baskets offered to Sittingbourne in Bloom.</p> <p>Value at 31 March 2022 = £8,323</p> <p>Purchase of a new laptop – Council 17 Sept 2021 Min 3 & 1 Nov 2021 10b re Budget 2022-23 NB the laptop has not been purchased yet.</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2021-22 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 2020-21 AGAR & Certificate of Exemption criteria met, exemption declared • PROOF of public rights provision during summer 2021 & website– AIAR ICOs • Public Inspection Period Minuted ? • New governance compliance regime - refer to new Practitioners' Guide 2021 	<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 CANNOT be used for 2021-22, Gross income £21,050 and Gross Expenditure £39,176.</p> <p>The AGAR Part 2 2020-21 including the Certificate of Exemption signed off 16 June 2021. Sections 1 & 2- approved 16 June 2021 Min 3ii . The RFO signed off the Statement of Accounts on 8 May 2021</p> <p>Date of Announcement – 30 June 2021</p> <p>Public Inspection period – 1 July to 12 August 2021</p> <p>Evidence - The Public Inspection papers were posted to the Council's website on 1 July 2021. This should have been posted at least one day earlier to be fully compliant.</p> <p>Extract from Detailed Instructions issued by PKF Littlejohn</p> <p>Publishing means inclusion on the authority's website*. Publication on a notice board is not mandated but is good practice;</p> <p>Extract from Publication Requirements shown on Page 1 of the AGAR Form 3</p> <p>It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.</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? • Trust Funds/Charities – Charity Commission filing? • 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 especially for Exempt Authorities • Post GDPR (25 May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters inc DPO arrangements 	<p>There have been no changes to the monthly back-up to memory sticks.</p> <p>The Council's laptop was handed back to the Council by the former Clerk for use by the Locum Clerk. However, the laptop was found to be very slow and unresponsive. A new laptop is to be purchased.</p> <p>Council 6 Jan 2019 Min 11iv approved Hugo Fox as the preferred website provider with a new .gov.uk domain name. The former Clerk had managed the migration of data from the old website to Hugo Fox, there were some technical issues as mentioned below relating to the Planning Tracker and accessibility. Council 12 July 2021 Min10i Interim Clerk to review content and upload items during the Summer 2021 recess.</p> <p>Update on the website Council 1 Feb 2021 now had “.gov.uk” domain but this requires a .gov.uk email address (usually used by the Clerk). However there was an issue with the “planning tracker” one of the main reasons for moving to Hugo Fox. It was also reported that the “accessibility button” was working. Council 1 March 2021 Min 11 reported that the “planning tacker” feature was now working.</p> <p>Record Management Policy, Data Protection Policy and Privacy Notice</p> <p>Resolved to get Microsoft .gov.uk mailboxes for Cllrs and Clerk Council 6 Dec 2021 Min 6b In place January 2022, managed by Waveney IT, a cost effective solution.</p>
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