

<p>Risk Assessment</p> <p>HIGH 1</p> <p>MEDIUM 2</p> <p>LOW 13</p>	<p>Kings Hill Parish Council</p> <p>INTERNAL AUDIT 2019-2020</p> <p>AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Kings Hill Parish Council (the “Council”), that I have completed my year-end internal audit of the Council’s records for the six-month period to 31 March 2020, following my audit visit and subsequent conversations on 30 April 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 Clerk, Ms Julie Miller for her assistance given to me during my audit visit.</p>		
<p>Area</p>	<p>Item</p>	<p>Comments / Findings Interim visit 6 Dec 2019</p>	<p>Comments / Findings Year-end Audit 30 April 2020</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate • 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>17 August 2019</p> <p>An “except for” matter in relation to the Statement of Accounts Section 2, Box 3 should have been £483,920, shown as £438,920, a transposition of figures.</p> <p>AGAR published on the website</p> <p>22 September 2019</p> <p>Finance & HR Comm considered the External Auditors comments 25 Sept 2019 Min FHR19/100, Cllrs will check the Statement of Accounts figures in future. The Comm also considered the Internal Audit Report on 23 Oct 2019 Min FHR 19/130</p>	<p>24 Feb 2020 Unfortunately, the March and April 2020 Meetings of the Finance & HR Comm were cancelled due to the Covid-19 issues</p>

Minutes	<ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • Localism Act 2011 • General Power of Competence ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>Minutes scanned to October 2019 A revised Committee Structure in place, membership decided at Council 18 Sept 2019 Min FC 19/194, Full Council (FC), Amenities (A), Finance & Human Resources (FHR) and Planning, Transport & Environment (PTE) General Power of Competence (GPC) has been lost for the next 4 years due to lack of required "elected" Cllrs.</p>	<p>Minutes scanned until end of February 2020 after which Covid 19 thwarted Meetings being held.</p> <p>The first "virtual" Meeting of the Council was held on 29 April 2020</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>May 2019 Elections – 7 Cllrs elected in an uncontested election. 5 co-options approved at Council 17 July 2019 (Min FC19/145) Cllr Lewis has since resigned co-option process started. Post Audit Note: Cllrs Russell & Board have also resigned = 3 vacancies at present.</p> <p>12 Cllrs in total 9 Cllrs listed on the Who's Who Cllr page which includes a link to the DPI's</p>	<p>Cllr Board resigned – Dec 2019 (Min FC19/281) Cllr Cassidy resigned – Feb 2020. Co-option cut-off date fixed – 13 March 2020 (Min FC19/369)</p> <p>Council 29 April 2020 Min FC19/416 - resolved that co-option process to resume at the first face to face meeting that takes place after the Covid-19 lockdown restrictions are lifted. Post Audit Note: Decision has been reversed and a co-option meeting is planned for Sept 2020.</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? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>SO's and Fin Regs approved and considered fit for purpose at the Annual Meeting on 15 May 2019 (Mins FC/19 & 20) Council adopted the updated Fin Reg Model 2019 – 18 Sept 2019 (Min FC 19/199)</p> <p>Yes see above.</p> <p>Yes</p>	<p>No change</p>

<p>Risk Management</p>	<ul style="list-style-type: none"> • Risk Assessments – Are they: <ul style="list-style-type: none"> ○ Carried out regularly? ○ Adequate? ○ Reported in the minutes? ○ ANNUAL REVIEW ? • Insurance cover – is it: <ul style="list-style-type: none"> ○ Appropriate/Adequate? ○ LTA in place? ○ Reviewed regularly? ○ Fidelity Guarantee Cover £ (Balances + ½ Precept) • Internal controls – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Reviewed regularly? ○ Statement of Internal Control (SIC)? • Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? 	<p>Financial & Council Risk Assessment reviewed by full Council 15 May 2019 (Min FC19/52) the document is available to view on the Council's website. Risk assessment is a permanent feature on Council agendas.</p> <p>Insurance cover to 1 Dec 2019 was with Zurich Municipal, a new 3-year LTA approved by FHR 27 Nov 2019 (Min FHR 19/158) with Hiscox from 1 Dec 2019 to 30 Nov 2022. £500,000</p> <p>Various leases and licences with Liberty Property Trust were reviewed by the Annual Meeting on 15 May 2019, some required further investigation. Similarly, various policies & procedures were also reviewed and adopted.</p> <p>FHR 25 Sept 2019 - Min 19/95 agreed no further printed packs of agenda papers etc other than A3 sized reports/papers. Min 19/96 - Cllrs Expenses to be allowed up to £25 per Committee plus 2 reams of paper per financial year excluding ex-officio positions.</p>	<p>No further reviews since my last visit.</p> <p>The next Annual Review is planned to be done prior to the approval of the unaudited AGAR 2019-20</p>
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<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? 	<p>Budget monitoring overseen by FHR Comm. The FHR received an amended Budget based on the revised Committee structure on 25 Sept 2019 and budget monitoring (Min FHR 19/88). Bank reconciliations and Reserves position also received (FHR 19/89 & 90). At the same Meeting the Clerk/RFO was asked to draft alternative 2020-21 Budgets based on a 10% and 15% increase. These options were received at the Oct 2019 Meeting and recommended the 15% increase option to Council Min FHR 19/131. Post Audit Note: The Budget/Precept decision was deferred until Jan 2020.</p>	<p>Draft financial report based on the new Committee Structure considered by FHR Committee 27 Nov Min FHR19/154</p> <p>Quarterly financial statements for period 1 Oct to 31 Dec 2019 considered by Council 19 Feb 2020 (Min FC19/386)</p> <p>The 22 Jan 2020 Council approved the Budget 2020-21 (Min FC19/325) and the Precept Request 2020-21 (Min FC19/326) = £389,502 a 15% rise in a Band D to £93.40pa.</p>
<p>Section 137 expenditure</p> <p>FOR 2019-20 (£7.86 FOR 2018-19)</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>Section 137 may need to be used as the GPC powers were lost as explained on page 1 of this Report.</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>Rialtas Business Systems (RBS) accounting package is well established, which is used to produce the Reports to each Council meeting and the Budget Papers for the next years Precept/Budget discussions.</p> <p>Yes Yes Yes</p> <p>Purchase ordering bolt-on system just purchased.</p>	<p>No change RBS remote support engaged to help with closure of 2019-20 Accounts.</p> <p>Yes Yes Yes</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? • Is petty cash reimbursement carried out regularly? • Is petty cash balance independently checked regularly? 	<p>3 petty cash floats in existence, but the Clerk advised that the "Office float" may not be required with the re-introduction of a "card" facility (see under banking)</p> <p>Not checked during this visit.</p>	<p>Cash floats reduced to two, one at the Community Centre the other at the Sports Park Café, each set at £400.</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? • 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 any ad-hoc payments or benefits been appropriately approved? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>Currently 11 contracted staff plus casuals on the payroll</p> <p>Sage 50 payroll subscription renewed. The payroll was outsourced until March 2019. I strongly recommend that another provider be found to relieve the Clerk of this job, she has more important things to do.</p> <p>LGPS – 6 contributors, Peoples Pension – 3 contributors. LGPS Triennial Review due for next 3 years from 1 April 2020.</p>	<p>There were 12 staff in post at the year-end, an additional Caretake at the Community Centre had been employed. Post Audit Note: Sports Park staff were furloughed, the pitches have now reopened and the facility staff brought back, café staff remain on furlough, all staff expected to be back in place later in August 2020 when a takeaway service will be on offer.</p> <p>The Clerk advised that this would be looked at after the "lockdown", when business gets back to near normal.</p> <p>P45's and 60's checked Council has been advised of the Actuarial Review</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 2019-20, check parity for 2018-19 ? 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? • Are items above a de minimus amount purchased competitively? • 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 RBS Purchase ordering "bolt-on" system just purchased, will check it during a future visit. Payment schedules at listed as an "appendix" to the Council Minutes. Shows payee, description, amount and usefully the "power to spend".</p> <p>The Clerk is scheduled to bring forward a Report to FHR on the DD's & SO's in place.</p> <p>The RBS accounting package collects the staff costs together in compliance with the "staff costs definition" for inclusion in Box 4 of the Statement of Accounts section of the AGAR.</p> <p>VAT Claims to receive or pay to HMRC 1 Sept to 30 Nov 2018 – £38,259 – to receive (£100k playarea project in this period) 1 Dec to 28 Feb 2019 - £5,878 – to pay 1 Mar to 31 May 2019 - £11,046 – to pay 1 Jun to 31 Aug 2019 - £10,981 – to pay</p> <p>The Maintenance of pitches is to be outsourced with remaining staff TUPE across to the contractor (NB the Senior Groundsman is leaving beforehand) 3 Tenders are to be considered in December 2019. Post Audit Note: Existing groundsman resigned so no TUPE. Jordans awarded the contract.</p> <p>Various suppliers for alcohol and food supplies eg Bidfood, Drinks Warehouse Safe Playground Services – quarterly playground inspections Viridor- waste management Weald Computing Services – IT/hosting support Kings Commercial Services – cleaning of Sports Park</p> <p>Various leases and contracts (eg accounts package, CCTV Mtce, IT Mtce, photocopier, waste management) with suppliers/contractors were reviewed by the Annual Meeting on 15 May 2019, some required further investigation before renewal.</p>	<p>No change. List of payments no-longer published with the Minutes, instead a RBS list of Purchase Ledger Payments is shown on the website under the Finances pages</p> <p>Report listing current SO's and DD's noted by FHR 23 Jan 2020 Min 9.8</p> <p>Further VAT Claims: 1 Sept to 30 Nov 2019 - £5,966 to pay 1 Dec 2019 to 28 Feb 2020 - £1,959 to pay</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 136 payments • Are internal controls of cash adequate? • Are invoicing arrangements adequate? 	<p>Walked through the invoicing arrangements during the previous audit visit, will repeat at the year-end. The two senior football clubs, Ebbsfleet and Dover no longer use the pitches for training purposes. The Kings Hill Sports Park has a separate website which includes the hire fees etc.</p> <p>The income is reported as part of the Budget Monitoring.</p>	<p>Kings Hill Football Club used to have a monopoly of the pitch bookings but now opened up to allow other sports and clubs to use the facilities.</p> <p>Post Audit Note: The Clerk has advised that the Council has since reversed the decision with Kings Hill FC given priority booking</p> <p>The Sports Park re-opened in July 2020.</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 ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>Bank balances as at 30 Sept 2019 Unity Trust a/c 1048- £53,306** a/c 1035- £195,026##</p> <p>Total cash held = £248,332 ** Playground commuted sum ## the balance reflects receipt of the second tranche of Precept</p> <p>The Council's Investment Policy approved 19 June 2019 refers to the security offered by the Financial Services Compensation Scheme up to a value of £85,000 per institutional licence registered. The Council needs to address this and move cash away from Unity Trust to kept balances below the £85,000 threshold. Nationwide and Hampshire Trust Bank, two popular choices with my clients</p> <p>To be re-introduced at some point requiring 2 signatures ?</p> <p>Following the May election Cllr Hurring was removed and Cllr Colman added to the authorised signatory list.</p> <p>PWLB loan balance outstanding as at 31 March 2019 was £377,732</p>	<p>Bank balances as at 31 March 2020 Unity Trust a/c 1048- £981 a/c 1035- £30,855</p> <p>Total cash held = £31,836 + £800 petty cash floats</p> <p>This is a surprisingly low year-end balance approx.. 1 months spend.</p> <p>Post Audit Note: The Clerk is having to juggle payments to avoid an overdraft scenario!</p> <p>Re-instatement of Credit Card facility as per financial regulations FHR19/160 – 27 Nov 2019. £2,000 limit approved by FHR 23 Jan 2020 Min 9.7</p> <p>As at 31 March 2020 there were 4 signatories to the Bank Account, suggest this is reviewed when Meetings resume. Post Audit Note: Two more signatories are being added.</p> <p>PWLB loan balance as at 31 March 2020 = £352,963</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 items to date include Noticeboard – Anson Avenue</p> <p>Yes, as at 31 Mar 2019,</p> <p>At cost or Proxy value and Nominal values where applicable.</p> <p>n/a</p> <p>Yes</p> <p>Yes</p> <p>n/a Asset Register threshold is £300</p>	<p>Resolved to reregister a list of expired community assets inc Kings Hill Sports Facility, Cricket Pitch, Community Centre, Warren Woods Nature Park and three play areas. Council 18 Dec 2019 (Min FC19/297) AND to add Waterloo Walk play area and the Countryside play area (Min FC19/298)</p> <p>Disposal of civic office shredder, Quadraplay (value of £2,500) and Slitter (value of £2,500) approved by Council Mkn FC19/390-392- 19 Feb 2020</p> <p>Sale of Sports Park archery equip for £500 Agreed by AM19/250 -11 Dec 2019</p> <p>Additions include Sports Park signage, allotments shed and Community Centre hand dryers and blackout blinds</p> <p>Asset Value as at 31 March 2020 = £220.686</p>
<p>Year-end procedures inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 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 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2019 & website- AIAR ICO L • New governance compliance regime - refer to new Practitioners' Guide 2019 	<p>Year-end procedures to be checked at final audit</p> <p>AGAR 2018-19 approved by Council – 15 May 2019 Mins FC 19/77 & 19/78</p> <p>Date of Announcement – 16 May 2019</p> <p>Public Inspection period – 17 June to 26 July</p> <p>Evidence – Clerk to investigate with the website provider for proof of evidence. No evidence</p>	<p>Year-end AGAR figures checked against the Reports from the RBS Accounting System.</p> <p>Clerk/RFO to make sure evidence of the website posting of the unaudited AGAR 2019-20 and Public Rights Notice is collected to be available for the next Internal Audit visit.</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 • Annual Statement of Internal Control • Website host and Webmaster • Website functionality & accessibility 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 	<p>Weald Computer Systems contracted to provide IT support (Council reviewed in May 2019 Min FC 19/34)</p> <p>One Drive is used for sharing files with Cllrs. Microsoft Azure Cloud is used for all file back-up including the RBS system and Sage payroll.</p> <p>Vision ICT plus link to the KHSP website for hire fees and bookings etc.</p> <p>Website accessibility regulations reported to FHR 25 Sept 2019 (Min FHR 19/98). There is reference to website accessibility inviting comments via telephone to the Parish Office on the bottom of the Home Page of the website.</p> <p>GDPR update reported to FHR 25 Sept 2019 (Min FHR 19/99). GDPR consent forms re allotment holders on the website. Cllr email addresses name@kingshillparish.gov.uk</p>	<p>The Clerk advised that the Councils systems had been slowed due to some virus attacks and that she would be reviewing the IT support and security arrangements.</p> <p>Post Audit Note: The Clerk has advised that the IT support service is to be retendered to tap into new more cost-effective back-up arrangements.</p> <p>Newer websites have an accessibility tool to enable the visitor to the website to enhance their experience such as a facility for passages of the text read aloud, provision to enlarge the text and/or text spacing, different fonts etc. Perhaps the Council needs to explore the accessibility aids with Vision ICT. Other parish websites with accessibility apps to view and possibly “bolt-on” www.brenchleyandmatfield.co.uk and www.wrothampc.org</p> <p>Council manages the Sports Park and the Community Centre websites as well FHR19/163 – 27 Nov 2019 refers to accessibility action plan</p> <p>GDPR Audit update noted by FHR19/165 – 27 Nov 2019</p>
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