

Risk Assessment HIGH 0 MEDIUM 2 LOW 14	<p style="text-align: center;">Aylesham Parish Council INTERNAL AUDIT 2021-2022 AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the Aylesham 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 remote audit visit and subsequent conversations on 28 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 Ms Kate Robinson for her assistance given to me during my audit visit.</p>	
Area	Item	Comments / Findings
	NB new/revised audit inspection for 2021-22 if applicable.	<p style="text-align: center;">Year-end Audit 31 March 2022</p>
Previous Audits	<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>PKF Littlejohn signed off the External Audit Report on 23 Sept 2021, Council received the Report 14 Oct 2021 Min 10.2</p> <p>There was one “except for” matter raised in relation to missing ticks against “yes” for some of the Boxes on the Section 1, which were confirmed to the satisfaction of PKF via copies of Minutes.</p> <p>All sections of the AGAR have been published on the website correctly.</p> <p>28 June 2021 – I have apologised for the lateness of getting the finalised report to the Clerk.</p>
Minutes	<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>Council and 3 Committees</p> <p>Virtual Meetings were held up to 6 May 2021 after which virtual meetings became illegal as advised to Council 6 May 2021 Min 9.</p> <p>Meetings have been held “face to face” at Aylesham House (apart for a period whilst the asbestos was being sorted out), the first being the Extra-ordinary Meeting to approve the AGAR 2020-21 in June 2021.</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 Kent Code of Conduct was adopted in 2012 and is on the website</p> <p>The Council can have up to 9 Councillors. As at May 2022 there were 5 Cllrs and 4 vacancies. Of the 5 Cllrs listed on the website ONLY 3 Councillors have their DPI's (Register of Interests) showing. Post Audit Note: The Clerk advised that the original DPIs completed by Cllrs J. Pout and S. Bott are missing DDC aware. New ones to be completed asap.</p> <p>Changes from April 2021 to date:-</p> <p>Cllr MacCallum resigned – Council Sept 2021</p> <p>Cllr Townsend resigned – Council 25 April 2022</p> <p>Cllrs Ian Thomas and Valerie Thomas – defaulted due to 6 month rule – Council 25 April 2022 Min 2</p> <p>Council reduced to 5 Cllrs at as May 2022 ie 4 vacancies Post Audit Note: Council 26 May 2022 Min 21 Cllrs were advised that there had been no call for an election closing dates for co-option set as 30 June 2022 as advertised on the website.</p> <p>Elections due 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>Standing Orders and Financial Regulations reviewed and adopted – Council 25 April 2022 Mins 13.2 & 13.1 respectively.</p> <p>Financial Regulations were subsequently updated – Council 26 May 2022 Min 10.5</p> <p>NB Still in place - Section 101 delegated authority to the Clerk/RFO & Asst Clerk (in the absence of the Clerk) approved Council 12 August 2021 Min 16. Caveats include financial thresholds up to £5k (emergency matters) and £1k (minor repairs etc) and with reference to 3 Cllrs (inc Chair & V Chair) if available</p> <p>2-signature rule in place Post Audit Note: Two more signatories added – Council 26 May 2022, all 5 existing Cllrs will therefore be signatories.</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? ○ Inspections of play equipment if carried out by staff/Cllrs have they been trained, accredited? ○ 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>Severe vandalism at the Skate Park</p> <p>Aylesham House closed due to asbestos issue Council 14 Oct 2021 Min 9 under Clerks delegated powers</p> <p>Risk Assessment for meetings at Aylesham House last reviewed 7 Oct 2021, the Assessment is on the website.</p> <p>Safeplay PS Ltd – annual ROSPA inspections of 3 sites includes qtrly inspections. The Clerk advised that weekly inspections is the Council's responsibility and the Recreational Committee Councillors were carrying them out BUT the Clerk implied that she rarely receives any inspection reports from Councillors. RECOMMENDATION regular visual inspections need to be done to supplement the Safeplay inspections. I suggest that the Council requests Safeplay to provide suitable "inspection training" for the staff to enable them to undertake the inspections. Probably the obvious staff member would be the Caretaker (with a reserve) and with a suitable "proforma listing the various sites and equipment to inspect" it should not be too onerous to provide the Clerk with a weekly report of the play equipment highlighting any issues that need to be attended to etc.</p> <p>The Clerk will be submitting the Annual Review of Risk Assessments to the Extraordinary meeting BEFORE Cllrs consider the AGAR. This should be supported by more detailed risk assessment documents similar to the Covid-19 "Return to Face-to-Face Meetings" assessment completed prior to May 2021. The above weekly inspection reports for play equipment would also support this Annual Review.</p> <p>The Council uses Came & Co (Ins Broker), who have changed their trading name to Gallagher. A new 3-year Long-Term Agreement to 31 March 2023 was approved - Council 12 March 2020 Min 13</p> <p>Fidelity cover = £150,000</p> <p>14 Policies and Procedures were considered by Council 29 Nov 2021 Min 18 of which 9 were related to policies/protocols concerning staffing. These policies are available to view on the Council's website</p> <p>Email & Communications Policy – adopted Council 14 Oct 2021 Min 19</p> <p>Co-option Policy – adopted by Council 29 Jan 2022 Min 15</p> <p>Email ^ Communications Policy, Maternity Leave Policy (amendments), Vexatious Complaints and FOI Policy – approved Council 26 May 2022 Mins 10.1 to 10.4</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? 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>Quarterly Budgetary reports are considered by Cllrs, eg 1st Quarters accounts 2021-22 were discussed and approved by Finance, Audit & Personnel Committee on 22 July 2020 Min 6.1 and endorsed by Council on 12 August 2021 Min 9.2 2nd Qtr to Sept 2021 – 28 Oct 2021 Min 6, 3rd Qtr Council 29 Jan 2022 Min 10.2</p> <p>The Finance, Audit & Personnel Committee discussed the 2022-23 Budget/Precept in detail at its November 2021 and made the following recommendations – to recommend the Budget Spreadsheet to Council and to increase the Precept to £121,930 resulting in an increase in the Band D property council tax of £7.07pa (13p per week) Council 29 Jan 2022 Min 10.3 proposed several changes including an increase in capital spend of £7,000 and another £6,000 for the Rec & Facilities Committee Projects Precept increased to £186,441 for 2022-23 and increase for a Band D property of 82pence per week. This was a significant change from the proposals from the Committees. The Clerk advised that the big increase was for the works to Aylesham House, which is not “fit for purpose”.</p> <p>The Council over the years has not increased many budget heads, a good example being the play parks, which has expanded. Councillors need to recognise that to keep the budget/precept in check is not sustainable and needs to be increased to manage expectations and to make better use of Aylesham House and to allow staff to return to work at the Office.</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>Covid support for beleaguered residents managed by Bechange who received 2 grants of £6k in March 2020 and further grant support during 2021-22. Bechange send monthly reports and attended Council meetings to update councillors via Zoom etc as necessary.</p> <p>Post Audit Note: Further support to Bechange approved for 2022-23</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>Rialtas Business Solutions (RBS)</p> <p>Close-down support from Rialtas determined the closure period and internal audit visit for 2021-22.</p> <p>The Council's turnover does not exceed £200k pa but the RBS accounts has been set-up in an “income & expenditure” format by the RBS consultants. With the rise in the Precept for 2022-23, this may change. All files backed up on external hard drive and in Microsoft One Drive.</p>

Petty Cash	<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 	N/A
Payroll	<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>2021-22 continued to be difficult for staff and Cllrs. The Temporary Asst remained in post covering for the maternity leave of the Asst Clerk until Nov 2021, when she returned to work. Working from home has proved a challenge for the staff and Councillors alike.</p> <p>Kate Robinson – Clerk (19 hrs pw) Demi Jenkins – Assistant Clerk (18 hrs pw) (returned from maternity leave Nov 2021) Temporary replacement - Assistant Clerk Nicola Purcell from 9 Nov 2020 (18 hrs pw) Ms Purcell was kept on as Admin Assistant, 8 hours per week fixed term contract until 31/03/2022 (Council 14 Oct 2021 Min 10.3) New contract for Ms N Purcell from 1 April 2022 and remuneration increases for 2022-23 for all staff approved – Council 25 April 2022 Min 10.3</p> <p>Ms Kerrlyn James - Aylsham House Caretaker/Cleaner – 7 hrs per week</p> <p>DM Payroll Services Ltd</p> <p>Peoples Pension scheme in place paid via B&CE Holdings Ltd paid by monthly DD</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>Payments listed within the Minutes as approved by Council, most payments made via cheque, which has been a challenge during the Covid lock-down periods</p> <p>Monthly DD to B&CE Holdings Ltd re staff pension scheme</p> <p>The staffing cost used for the 2019-20 AGAR is compliant as are the figures within the RBS Accounting Package.</p> <p>VAT has not been reclaimed for a number of years as mentioned in previous Reports. The pandemic has hindered matters with no easy access to VAT details on invoices held in the Office. The Clerk was able to return to the office for a limited period in 2021. Back dated VAT claims were submitted on 20 Oct 2021 for the following periods:- 16 Nov 2018 to 31 March 2019 - £1,724 repayment received 25 Nov 2021 (NB £1,724 recd again - 26 Nov 2021) 1 April 2019 to 31 March 2020 - £9,566 repayment received 1 Nov 2021 1 April 2020 to 31 March 2021 - £6,449 repayment received 25 Nov 2021 (£8,173 in total) 1 April 2021 to 30 Sept 2021 - £3,699 repayment received 1 Nov 2021 (£13,265 in total) The Clerk has done a fantastic job to sort this out and get the VAT repaid, well done.</p> <p>Sample contracts in place during the year:</p> <p>Fire Security Services Ltd – fire extinguisher annual serving KCC – office supplies Surrey Hills – Legal Advice Sequoia Tree Care – Tree surgery works/mtce AJL Garden Services – Grounds Mtce of Aylesham House area and other sites in the Village Clean & Simple window cleaning – Aylesham House Safeplay PS Ltd – annual ROSPA inspections (inc skatepark) and repairs as necessary Astra UK (Contracts) Ltd – removal of asbestos from Aylesham House Envisage Groundcare Ltd – Grounds Mtce Contract 2022-24 awarded Council 27 Jan 2022 Min 13</p>
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Receipts	<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>Very few income sources other than the Precept</p> <p>Rose Tea Room & Thrift Shop CIC annual rent £300</p> <p>Contain Covid-19 outbreak grant - £4,272</p>									
Bank reconciliation & PWLB Loans	<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>The Council has a Lloyds Bank current account and a Savings account with NSI</p> <p>As at 31 March 2022 the bank balances were:-</p> <table border="0"> <tr> <td>Lloyds c/a (1994)</td> <td>-</td> <td>£92,514</td> </tr> <tr> <td>NSI savings a/c</td> <td></td> <td><u>£15,990</u></td> </tr> <tr> <td colspan="3">TOTAL net funds available = £108,504 (Box 8 on the Statement of Accounts)</td> </tr> </table> <p>Post Audit Note: Clerk is to advise Council at the EO Meeting that additional bank accounts need to be explored especially with the increased Precept for 2022-23. RECOMMENDATION I would strongly suggest that the Council looks to opening an "online account" with Unity Trust Bank, which has a good track record within my Clients and across the whole of Kent as it preserves the "2-signature" authority. The Clerk would have view and administration rights and the nominated Councillors would have "view and authorisation" rights. See link - Business Current Accounts - Personal Service Unity Trust</p> <p>Lloyds Bank charge card approved by Council 6 May 2021 Min 10.2 in the name of the Clerk for monthly purchases up to £1,000 pm.</p> <p>Lloyds Bank signatories reviewed by Council 6 May 2021 Min 10.3, Cllrs Sutcliffe and Oliver to remain as signatories with Cllrs Bott and Townsend added, making 4 in all. ALSO the Council agreed to move to on-line banking with Lloyds with the Clerk Ms Robinson as the Administrator to the on-line account.</p> <p>26 May 2022 Min 10.1 Cllr Pout and Cllr Prescott to be added, Cllr Townsend to be removed following his resignation</p> <p>No loans</p>	Lloyds c/a (1994)	-	£92,514	NSI savings a/c		<u>£15,990</u>	TOTAL net funds available = £108,504 (Box 8 on the Statement of Accounts)		
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<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>There was a small increase in the Asset Register value during 2021-22 of £4,287 to a level of £225,940 as recorded on the AGAR form 2021-22.</p> <p>Council 29 July 2021 Min 8.8 approved purchase of two laptops and accessories inc MS Office 365 and virus protection software, increased to 3 laptops (£4,287)</p> <p>Significant issues about the condition and layout of the Aylesham House, discussed at great length during the course of 2021-22 including asbestos, structural and accessibility. Eg Council 14 Oct 2021 Min 17 – commissioning of a structural survey</p> <p>Post Audit Note: Council 26 May 2022 Min 15 – engaged Manse Designs to provide drawings and ideas to remodel Aylesham House for Councillors to consider</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>The Council signed-off the AGAR 2020-21 on 28 June 2021 Min 5.1. The RFO had signed the Section Statement of Accounts on 24 June 2021</p> <p>Date of Announcement - 29 June 2021 Public Inspection period – 1 July to 11 August 2021 Evidence – 29 June 2021 from the website file upload date NB Councils are requested to formally minute the Public Inspection Period as part of the AGAR approvals</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>Extract from Detailed Instructions issued by PKF Littlejohn Publishing means inclusion on the authority's website*. Publication on a notice board is not mandated but is good practice;</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>The Council has a new IT Support contract in place with Waveney IT Services to provide support on an “as and when” basis, which is by far the most common approach rather than a fixed fee type contract. Remote working has made this more important.</p> <p>Council 29 July 2021 Min 8.8 approved purchase of two laptops and accessories inc MS Office 365 and virus protection software. 3 laptops purchased for each member of the office staff.</p> <p>Not applicable</p> <p>The Council has moved its website to www.ayleshampc.co.uk a Hugo Fox website platform approved by Council 11 March 2021 Min 18. clerk@ayleshampc.gov.uk was implemented as part of the website roll-out, which went live in April 2021.</p> <p>Accessibility Tool on the Home Page allowing a selection of enhancements to text, contrast and font.</p> <p>My previous Report recommended the move to a generic email address to be used by all Councillors and staff. clerk@ayleshampc.gov.uk</p> <p>Council agreed to a quote from 123Reg to establish 9 email addresses for Cllrs and similar addresses for staff – Council 29 July 2021 Min 8.8 Council 26 May 2022 Min 9.1 – establishment of Cllr emails via Waveney IT Services (many of my Clients use this company for their email administration)</p>
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