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| <p>Risk Assessment</p> <p><b>HIGH</b> 0</p> <p><b>MEDIUM</b> 0</p> <p><b>LOW</b> 16</p> | <p><b>West Farleigh Parish Council</b></p> <p><b>INTERNAL AUDIT 2023-2024</b></p> <p><b>AUDIT PLAN WITH COMMENTS / FINDINGS</b></p> <p>I am pleased to report to Members of the West Farleigh 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 2024, following my audit visit and subsequent conversations on 2 May 2024.</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 Mrs Amanda Broadhurst for her assistance given to me during my audit visit.</p> |   |
| <p><b>Area</b></p>  | <p><b>Item</b></p>   | <p><b>Comments / Findings</b></p> <p><b>Year-end Audit 31 March 2024</b></p>  |
| <p>Previous Audits</p>  | <ul style="list-style-type: none"> <li>● <b>Date of last External Audit Certificate or Exemption Certificate for 2022-23</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>Mazars LLP signed off the Report &amp; Certificate 2022-23 on 21 August 2023.<br/>Council received the Report 18 Sept 2023 Min 4.5</p> <p>There were no comments.<br/>The AGAR including the External Audit Report and Certificate have been published and remains viewable on the website.</p> <p>Council considered the Internal Audit Report – 18 Sept 2023 Min 4.4</p> |
| <p>Minutes</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>Council continues to meet at Bramley Barn, West Farleigh. Meetings are bi-monthly and the agendas and minutes are posted to the Council’s website.<br/>Generally, a new webpage is opened making it easy for the visitor to read through several sets of minutes and to flip back if necessary.</p>  |

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| <p>Code of Conduct/<br/>Acceptance of Office</p>     | <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 5 Cllrs in post in April 2023 with 2 vacancies, which remained unchanged during 2023, but Cllr Wilson became disqualified due to non-attendance/no apology as recorded in the Council Meeting 18 March 2024. This reduces the Council to just 4 Councillors, who were re-elected in an uncontested election on 2 May 2024.</p> <p>May 2028</p>  |
| <p>Standing Orders and<br/>Financial Regulations</p> | <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>• Virtual Meetings / Delegation to Clerk/RFO still in place ?</li> <li>• Updated re New NALC Models SO's 2018, Fin Regs 2019 ?</li> <li>• Two signature rule still in place?</li> </ul> | <p>Review of Standing Orders &amp; Financial Regulations – Council 18 Mar 2024 Min 4.4 &amp; 4.5 <b>The documents have been updated with the Contract Finders threshold increase to £30k. LTN 87 Jan 2024</b></p> <p>Both docs are available on the Councils' website.</p> <p><b>Ironically, since my audit visit the long-awaited new Model Financial Regulations have been published on the NALC website. They have undergone a major overhaul with a greater emphasis on Risk Management and separate sections on the new forms of electronic payment arrangements such as BACS, CHAPS and debit &amp; credit cards.</b></p> <p>Councils subject to the “intermediate level” of external audit for the 2023-24 AGAR submissions are being asked for confirmation of the last review of the Financial Regulations, which shows the importance of the “regular review of all policies” not just Standing Orders and Financial Regulations.</p> |

Risk Management

- **Risk Assessments** – Are they:
  - Carried out regularly?
  - Adequate?
  - Reported in the minutes?
  - **Inspections of play equipt 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 Risk Assessment schedule was reviewed by Council on 18 March 2024 (Min 4.8) the document is available on the Councils' website. It covers both the financial and non-financial risks and is based on a template shown as an example of best practice in the Practitioners' Guide on Accountability & Governance.

Tree Inspection of the Green only Council 16 Jan 2023 Min 6.5

Annual RoSPA play equipt Inspection by Play Inspection Co Ltd (June 2023) highlighted several medium risk areas which were attended to.

Monthly Inspections from April 2023 carried out by Safe Play PS Ltd – agreed by Council 16 Jan 2023 Min 6.2 replacing Maidstone BC.

Annual Review of Risk for 2023-24 – Council 18 Mar 2024 Min 4.8

Council 16 May 2022 Min 6.5 agreed to a new 5-year LTA with Zurich Municipal, which will expire 31 May 2027. Second year of the contract with Zurich Municipal agreed by Council 15 May 2023 Min 6.5.

Fidelity cover = £250,000

The Council approved the Internal Control Policy and the Statement of Internal Control for 2023-24 – 18 March 2024 Mins 4.6 & 4.7 respectively.

As reported last year the Clerk reviewed the existing policies and written some new ones. 11 policies were considered by Council 18 Sept 2023 Min 5.2, all can be found on the council's website.

Civility and Respect Pledge – 16 Jan 2023 Min 6.4

Biodiversity Policy – Council 20 Nov 2023 Min 5.2, posted to the website to meet the 1 Jan 2024 deadline.

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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> <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> </ul> | <p>Budget monitoring done at each Council meeting, For 2023-24 Council 17 July 2023 Min 4.1 (to 30 June 2023) and 18 Sept 2023 Min 4.1 (to 31 Aug 2023), 15 Jan 2024 Min 4.4 (to 31 Dec 2023), 18 Mar 2024 Min 4.1 (to 29 Feb 2024)</p> <p><b>Budget &amp; Precept 2024-25</b><br/>Council 15 Jan 2024 Min 4.4 - well minuted Budget &amp; Precept 2024-25 discussion resulting in a decision to keep the Council Tax levy at £110.38, hence a zero increase in levy, but with the small increase in the Tax Base (244.6 to 252.8) the Precept Request approved was £27,904 (a £904 increase).</p> <p>The Reserves were reviewed as part of the Budget discussions and consideration given to creating some new ringfenced funds, amounts to be added to be decided at a later date.</p> |
| <p><b>Section 137 expenditure</b></p> <p><b>£9.93 FOR 2023-24</b><br/>(£8.82 FOR 2022-23)</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>S137 Grants 2023-24 = £1,550 including two grants approved 15 Jan 2024 Min 4.5<br/>Evergreens outing - £300<br/>Churchyard maintenance - £300<br/>£870 spent on the Coronation Event</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> <li>• <b>Turnover above £200k pa ? Income &amp; Expenditure basis of accounting?</b></li> <li>• Record keeping and the arrangements in place to store previous year's accounts etc.</li> </ul>  | <p>Excel spreadsheets<br/>Yes<br/>Yes<br/>Yes<br/>Yes</p> <p><b>Not applicable, the Council accounts on a "receipts and payments basis"</b></p>  |

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| <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>Mrs Amanda Broadhurst – Clerk/RFO (contracted hours are 15hrs pw)</p> <p>P60 for 2023-24 inspected</p> <p>The Clerk uses the HMRC on-line tools to calculate the NI and Tax due</p> <p>People’s Pension is the workplace pension for the Clerk.</p> |

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| <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 2023-24, check parity for 2022-23 ? 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>Payments listed in the Minutes. The list of payments included those by cheque (Dandelion Time - hall hire), and by internet banking<br/>Standing Orders (Clerks Salary fixed monthly sum) and Direct Debit (mainly to Peoples Pension, HugoFox website service and Waveney IT Support Services)</p> <p>See above</p> <p>Staff costs comply with the definition for Box 4</p> <p>VAT paid in 2022-23 - £7,285 received 18 May 2023<br/>VAT paid in 2023-24 - £920 to claim in 2024-25</p> <p><b>Sample contracts let/discussed during 2023-24</b><br/>G Underdown – Grounds Maintenance. (one invoice per year in arrears) New 3-year agreement for 2023-2026 agreed by Council 16 Jan 2023 Min 6.1<br/>Waveney IT Support Services – email a/cs and IT support<br/>Dandelion Time - hall hire<br/>Safeplay PS Ltd – monthly playground inspections<br/>Hugo Fox – website services</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 106 &amp; CIL payments</li> <li>• <b>Are income records inc allotments, burials, hirings adequate?</b></li> <li>• Are invoicing arrangements adequate?</li> </ul>  | <p>Precept for 2023-24 - £27,000 (£26,232 in 2022-23)<br/>         Parish Services Grant - £790 (£767 in 2022-23)<br/>         KCC members grant - £1,000</p>   |
| <p><b>Bank reconciliation &amp; PWLB Loans</b></p> | <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.</b> FSCS aware ?</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>Bank balances as at 31 March 2024<br/>         Co-operative Bank Community Directplus (1996) - £40,530<br/>         LESS unrepresented payment <u>(£844)</u><br/> <b>Net TOTAL £39,686</b></p> <p><b>The Council moved to “internet banking” with the Co-op at the beginning of 2023, which dispensed with the need for telephone banking previously in place.</b></p> <p>Cllrs Morgan, Scott and Swan are the signatories to the above bank account. <b>The bank signatories need to be updated following the May 2024 Elections.</b></p> <p>No loans</p> |

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| <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>No new assets or disposals to the Asset Register during 2023-24.<br/>As at 31 March 2024 declared value on the AGAR = £54,033</p>  |
| <p><b>Year-end procedures Inc. AGAR</b></p>  | <ul style="list-style-type: none"> <li>• Does the <b>2023-24 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 2022-23 AGAR &amp; Certificate of Exemption criteria met, exemption declared</b></li> <li>• <b>PROOF of public rights provision during summer 2023 &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 2022</b></li> </ul> | <p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2023-24, including the Bank Reconciliation.</p> <p>The AGAR 2023-24 was approved by Council 15 May 2023 Mins 6.1.3 &amp; 6.1.4, the RFO had signed off the Statement of Accounts on 27 April 2023</p> <p><b>Date of Announcement - 9 June 2023</b><br/><b>Public Inspection period – 12 June to 21 July 2023</b><br/><b>Evidence – Website posting dated 9 June 2023</b></p> <p>The Council 15 May 2023 Min 6.1.5 noted the proposed Public Inspection Period as mentioned above.</p> |



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| <p>Additional tests –<br/>(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 NALC L09-18</b></li> <li>• <b>TRANSPARENCY CODE compliant especially for Exempt Authorities</b></li> <li>• <b>Post GDPR (May 2018)</b> <ul style="list-style-type: none"> <li>○ <b>Privacy Notice</b></li> <li>○ <b>CIIR email addresses?</b></li> <li>○ <b>Email disclaimer</b></li> <li>○ <b>Other matters inc DPO arrangements</b></li> </ul> </li> </ul> | <p>The Councils' laptop resides at the Clerk home office. The Clerk uses Microsoft Office 365 software, the anti-virus software is McAfee and regularly scans the whole laptop for infections etc.</p> <p>The Clerk has in place two back-up arrangements, one is a small memory stick and an external hard drive as well. These are updated every couple of weeks and the back-up of the HMRC payroll is done every month in case that ever crashes.</p> <p><b>Not Applicable</b></p> <p>Council at its meeting on 23 June 2021 (Min 5.4) approved my appointment as the independent Internal auditor for the next 3 years (2021-22, 2022-23 and 2023-24). <b>I have advised the Clerk that this needs to be addressed for 2024-25 onwards, which incidentally was another question for councils subject to the “intermediate level” of external audit for the 2023-24 AGAR submission to provide responses to Mazars the External Auditor.</b></p> <p>The Clerk built the website using the free website designed and hosted by Hugo Fox. Hugo Fox have introduced a charging policy, which was considered by Council 18 Sept 2023 Min 4.4. The Council opted for the Silver Package.</p> <p><b>The website is easy to navigate BUT it would be helpful if CIIRs regularly trawled the website and advise the Clerk if there is any content missing, links not working etc</b></p> <p>The website has an “Accessibility” feature, which allows users to turn on the features or not.</p> <p>The dedicated Councillor email addresses provided by Waveney IT Support Services based in Headcorn have been in place since January 2023, they are in the same house style as the Clerks address shown below:</p> <p>The Clerk’s email address is <a href="mailto:clerk@westfarleighparishcouncil.gov.uk">clerk@westfarleighparishcouncil.gov.uk</a></p> |
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