

<p>Risk Assessment</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>Westgate on Sea Town Council</b></p> <p style="text-align: center;"><b>INTERNAL AUDIT 2021-2022</b></p> <p style="text-align: center;"><b>AUDIT PLAN WITH COMMENTS / FINDINGS</b></p> <p>I am pleased to report to Members of the Westgate on Sea Town 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 22 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 Mrs Gill Gray for her 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>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p style="text-align: center;"><b>Comments / Findings</b></p> <p style="text-align: center;"><b>Year-end Audit 31 March 2022</b></p>
<p><b>Previous Audits</b></p>	<ul style="list-style-type: none"> <li>● <b>Date of last External Audit Certificate or Exemption Certificate for 2020-21</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>PKF Littlejohn signed off the AGAR 2020-21 on 20 August 2021. Received by Council 7 Sept 2021 (Min 2804).</p> <p>There were no comments.</p> <p>All the AGAR information is posted on the website providing a good trail of the publication requirements surrounding the AGAR and Public Rights.</p> <p>29 April 2021 Internal Audit report was considered by the Council 7 Sept 2021 (Min 2804).</p>
<p><b>Minutes</b></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>The Council was able to hold its Annual Town Council Meeting virtually on 4 May 2021, just before the legality of virtual meetings expired on 7 May 2021. Face to face meetings resumed on 17 May 2021 (Planning, Highways &amp; Environment Committee). The full Council met face to face on 1 June 2021 in the Function Room, Town Hall Buildings only 4 Councillors were able to attend due to Covid/isolation issues.</p> <p>General Power of Competence approved by Council on 15 May 2019 (Min 1767) for the next 4 years subject to retaining the necessary qualification criteria.</p> <p>Committee Terms of Reference &amp; Scheme of Delegations 2021 re-adopted Council 4 May 2021 Min 2672</p>

<p>Code of Conduct/ 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>Code of Conduct re-adopted Council 6 July 2021 Min 2748 10 Councillor positions on the Council, all posts filled as at 31 March 2022. During the year - Cllrs Page and Pennington resigned – 8 Oct Council 2021 Min 2867 Cathy Calcutt and Glyn Parry – co-opted 16 Feb 2022 Min 3077</p> <p>Post Audit Note: Cllr Nightingale resigned in April 2022 and Cllr Dr H. Scott resigned in May 2022</p> <p>May 2023</p>
<p>Standing Orders and 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>• <b>Virtual Meetings / Delegation to Clerk/RFO still in place ?</b></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 &amp; Financial Regulations were approved by Council 6 July 2021 Min 2747 a) &amp; b)</p> <p>Committee Terms of Reference and Scheme of Delegation 2021 adopted 4 May 2021 Min 2672 Section 11 refers to “delegations” and 11(c) Delegation to the Town Clerk (not specific to the Covid-19 crisis in March/April 2020 when Councils were unable to “meet” until a system of “virtual meetings” was established.</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?

Event Risk Management by Safety & Management Solution Ltd. called upon as required.

Play equipment at the War Memorial Recreation Ground (formerly managed by TDC). Play Fix Ltd undertake the ROSPA Inspections (the next annual inspection booked for July 2022).  
**The Groundsman, Mr James is booked on a 2 day accredited ROSPA course in November 2022.**

Annual Review of Risk Assessment and Management Scheme for year ending 31 March 2021 approved by Council 1 June 2021 Min 2716.

Insurance renewal approved by F&GP 20 July 2021 Min 2787 with AXA Insurance via specialist Broker Came & Co. the last year of the 3-year Long-term Agreement (LTA) approved to run to Aug 2022. Other Brokers worth approaching for comparative quotes are BHIB [www.bhibinsurance.co.uk](http://www.bhibinsurance.co.uk) and WPS Hallam [www.wpsinsurance.co.uk](http://www.wpsinsurance.co.uk)  
£150,000 Fidelity cover  
A separate insurance policy exists for vehicle insurance with MS Amlin Insurance period – 29 June 2021 to 28 June 2022.

Appointment of the Councillor Internal Auditor confirmed as Cllr O'Connor – Council 4 May 2021 Min 2678

Statement of Internal Control 2020-21 - approved by Council 1 June 2021 Min 2717

**There is an impressive list of policies and powers listed on the website under the “Public Accountability” tab ranging from the Standing Orders and Financial Regulations to more specific policies such as the Councillors Email Policy adopted in Dec 2020 or the Vexatious Complaints Policy adopted in March 2020. Council 1 Feb 2022 Min 3048 approved revisions to 7 HR policies.**  
**What is nice is that it is clear when the “policy was adopted” as the adoption date is on the “front page”.**

System in place for reminder of review dates by Council.

<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> <li>• <b>Ongoing Covid-19 implications ?</b></li> </ul>	<p>F&amp;GP Comm 20 July 2021 Min 2784 received 1<sup>st</sup> Quarter Monitoring Report and Earmarked Reserves Report. 2<sup>nd</sup> Quarter – F&amp;GP Comm 19 Oct 2021 Min 2899 (Reports on the website) Regular reports to full Council eg 7 Sept 2021 Min 2807 reports to 31 July 2021 on Bank Rec, payments &amp; receipts and annual budget by combined “account codes”.</p> <p>Draft Budget for 2022-23 discussed by Council 7 Dec 2021 Min 2954 to be finalised in Jan 2022.</p> <p>Full Council - 4 Jan 2022 Min 2991, resolved a Precept Request of £161,600 (£149,475 - 2020-21) resulting in a Band D Tax of £64.17 a £3.96 increase (£60.21 – 2020-21) based on the supplied Tax Base of 2518.29 (2,482.41 – 2020-21). The approved Budget for 2022-23 was set at £172,275 (£154,135 – 2020-21).</p> <p>Budget on the website.</p> <p><b>NB</b> the reserves of the Council as at 31 March 2022 (£98,700) are not excessive equivalent to approx. 8 months spend</p>
<p><b>Section 137 expenditure</b></p> <p><b>£8.41 FOR 2021-22</b> (£8.32 FOR 2020-21)</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>With the General Power of Competence (GPC) in place there is no need of the S137 powers.</p>
<p><b>Book-keeping</b></p>	<ul style="list-style-type: none"> <li>• Cashbook - is it:</li> <li>• Fit for purpose?</li> <li>• Up to date?</li> <li>• Arithmetically correct?</li> <li>• Balanced regularly?</li> <li>• <b>Turnover above £200k pa ? Income &amp; Expenditure basis of accounting?</b></li> <li>• <b>Record keeping and the arrangements in place to store previous year's accounts etc.</b></li> </ul>	<p>The Clerk is using the Rialtas (RBS) financial software package for the Budget Monitoring, Precept &amp; Budget setting as well as the year-end accounts to full effect.</p> <p>Cllr O'Connor takes an active role in the financial management reporting.</p> <p><b>Not applicable</b></p>

<p><b>Petty Cash</b></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>There is a petty cash float, which had a balance of £402.84 as at 31 March 2022, which is included in the Bank Reconciliation statements. The excess balance to be paid into the Bank, although this will be after the Jubilee Events.</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>As required but various payments to the Council received in cash such as Allotment Rents are added to the Petty Cash Float rather than banking, unless the Float exceeds £300, the excess is banked.</p> <p>Yes checked monthly by Cllr O'Connor as part of her Cllr Internal Auditor duties</p>
<p><b>Payroll</b></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>The Council has a HR Committee which has met regularly during 2021-22. <b>Good Practice</b></p> <p>Mrs Gill Gray - Town Clerk (contract - 37 hrs pw)</p> <p>Ms Chloe Wheatley Finance Asst (contract – 12 hrs pw) HR Comm 26 Jan 2021 agreed to increase the hours worked to 22hrs pw from 1 Feb 2021 and to 25hrs pw from 1 Sept 2021</p> <p>Ms Jasmin Howarth Project Asst (contract – 12 hrs pw) Ms Howarth left in April 2021, position to be reviewed and replaced.</p> <p>N. Adams (permanent 20 hrs pw), G Raine (left 12 August 2021) and G Sandwell (left 16 March 2022) - Cleansing Operatives (contract – 15 hrs pw)</p> <p>New Post – Maintenance/Groundsperson at the Recreation Ground HR Comm 26 Oct 2021 Min 2909 &amp; Council 2 Nov 2021 Min 2930 Vic James appointed 17 Jan 2022- 25hrs pw includes visual checks of equipment.</p> <p>Reception/Office Administrator Lindsey Harris commenced July 2021 (12 hrs pw) confirmed permanent HR Com 25 Jan 2022 Min 3036</p> <p>New provider from 1 April 2020, DM Payroll Services Ltd another known provider to local councils, replaced MI Payroll &amp; Bookkeeping Services Ltd</p> <p>Town Clerk – LGPS</p> <p>Other staff - NEST</p> <p>Pension regulator re-declaration of compliance – Council 21 July 2021 Min 2318</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 2021-22, check parity for 2020-21 ? 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>Most payments by BACS via Unity Trust Bank.</p> <p>Monthly schedules of payments are posted to the Council's website under the Council Finances page for 2021-22.</p> <p>The list of annual subscriptions and the list of direct debits were approved by Council 4 May 2021 Min 2675</p> <p>Staff cost definition in accordance with Best Practice.</p> <p><b>VAT claims;</b>  Amount to claim for the 4<sup>th</sup> quarter = £2,097.87 received 5 May 2021  1 April – 30 June 2021 - £2,789 received 12 Aug 2021  1 June – 30 Sept 2021 - £2,367 received 2 Nov 2021  1 Oct – 31 Dec 2021 - £4,357 received 4 Feb 2022</p> <p>1 Jan – 31 Mar 2022 - £849 to be claimed in 2022-23</p> <p><b>Sample contracts in place during 2021-22</b>  Lisa Campbell - office cleaning  Siemens Equipt Rental – photocopier/printer  BP Fuel Card  Euro Office – office supplies  BR-IT – IT services inc Office 365 Exchange and Office Plans)  Smart Office Solutions Ltd – copier charges  Fuse Collaboration Services – SharePoint/OneDrive back up  Boys &amp; Maughan Solicitors – legal advice re asset transfers from Thanet DC  Town Council Magazine – General Service Agreement (approved by Council 2 Feb 2021 Min 2564)  Phoenix Link UK Ltd – phone &amp; broadband  Breakthrough Communications – digital survey and consultation statement for the Neighbourhood Plan (6 July 2021 Min 2752)  Octopus Energy – electricity and gas supply for 2021-22 (6 July 2021 Min 2753) 12 mth fixed price from 3 Aug 2021.  Hughes and Son – Grounds Mtce Contract for War Memorial Rec., Lymington Road (7 Sept 2021 Min 2810)  Goldstone Town Planning – Action Plan to progress the NP (4 Jan 2022 Min 2992</p>
------------------------	--	---

<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> <li>• <b>Ongoing Covid-19 implications</b></li> </ul>	<p>Monthly schedules of receipts are posted to the Council's website under the Council Finances page for 2021-22.</p> <p>Some cash receipts used to top-up the petty cash float to a max of £300</p> <p>Allotment Fees increased to (£28 full plot, £14 half plot) from 1 Oct 2021 - F&amp;GP Comm 20 July 2021 Min 2785</p> <p>Good allotments billing system in place. £4,747 received from allotments including water recharges in 2021-22</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. FSCS aware ?</b></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>The bank balances as at 31 March 2022 were</p> <table border="0" style="width: 100%;"> <tr> <td>Unity Trust Bank cur a/c (1522) -</td> <td style="text-align: right;">£2,112</td> </tr> <tr> <td>Unity Trust Bank dep a/c (1535) -</td> <td style="text-align: right;">£96,190</td> </tr> <tr> <td>Petty Cash</td> <td style="text-align: right;">£403</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>£98,705</b></td> </tr> </table> <p>Monthly bank reconciliations signed off by Cllr O'Connor</p> <p>No card facility but PayPal account in place with a spend limit of £599 delegated to the Town Clerk/RFO.</p> <p><b>I would strongly recommend the introduction of Credit Card facility for the Town Clerk/RFO such as the "multipay card via Lloyds Bank, cleared each month via a DD from Unity Trust Bank.</b></p> <p><b>Down to two signatories, O'Connor and Cornford. Two more Cllrs to be added Parry and Donaldson</b></p> <p>No loans</p>	Unity Trust Bank cur a/c (1522) -	£2,112	Unity Trust Bank dep a/c (1535) -	£96,190	Petty Cash	£403	<b>TOTAL</b>	<b>£98,705</b>
Unity Trust Bank cur a/c (1522) -	£2,112									
Unity Trust Bank dep a/c (1535) -	£96,190									
Petty Cash	£403									
<b>TOTAL</b>	<b>£98,705</b>									

<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>The Council on 6 April 2021 formally resolved that the Transfer deeds be “executed” by the Town Clerk and Chairman to transfer of the “community assets”, War Memorial Rec Ground and 2 shelters on Sea Road from Thanet DC to Westgate on Sea TC. The transfer took place in May 2021, the value of these assets will be a nominal £1 and are in the Asset Register value on the AGAR form for year ending 31 March 2022.</p> <p>Council approved the Inventory List/Asset Register 4 May 2021 Min 2675</p> <p>Council 1<sup>st</sup> March 2022 Min 3095 Community Asset Transfer Review – further discussions later during 2022-23.</p>
<p><b>Year-end procedures Inc. AGAR</b></p>	<ul style="list-style-type: none"> <li>• Does the <b>2021-22 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 2020-21 AGAR &amp; Certificate of Exemption criteria met, exemption declared</b></li> <li>• <b>PROOF of public rights provision during summer 2021 &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 2021</b></li> </ul>	<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 approved the AGAR 2020-21 Council 1 June 2021 Mins 2719 &amp; 2720 The RFO signed the Statement of Accounts on 25 May 2021.</p> <p><b>Date of Announcement - 11 June 2021</b>  <b>Public Inspection period – 14 June to 23 July 2021</b>  <b>Evidence – Posted to the website on 11 June 2021, posting date on the website.</b>  <b>NB Councils are requested to formally minute the Public Inspection Period as part of the AGAR approvals</b></p> <p><b>Extract from Publication Requirements shown on Page 1 of the AGAR Form 3</b></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.  <b>Extract from Detailed Instructions issued by PKF Littlejohn</b>  Publishing means inclusion <b>on the authority’s website*</b>. 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"> <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 (23 Sept 2020 deadline) NALC L09-18</b></li> <li>• <b>TRANSPARENCY CODE compliant especially for Exempt Authorities</b></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 inc DPO arrangements</b></li> </ul> </li> </ul>	<p>Microsoft Office 365 Business Premium 3 licences for staff plus Bitdefender</p> <p>Microsoft Office 365 Exchange 10 licences for Cllrs, linked with the generic email addresses for Cllrs set-up last year.</p> <p>BR-IT (Barry Lyndsell) for IT support issues and Fuse Collaboration Services for “back-up” services.</p> <p>Council 2 Nov 2021 Min 2923 the Council to consider becoming Custodian Trustees for the Community Centre, Lymington Road. No plans to pursue for the time being.</p> <p>I was re-appointed Internal Auditor for 2021-22 Council 1 Feb 2022 Min 3054 Cllr O’Connor appointed as the Cllr Internal Auditor Council 27 May 2020 Min 2246</p> <p>Hugo Fox provides the website platform. The Town Clerk is regarded as the “webmaster”.</p> <p><b>Excellent website very easy to navigate and can open multiple webpages ideal for doing internal audits! There is an Accessibility icon allowing visitors to the website to turn on additional features.</b></p> <p>Satswana re-appointed DPO for 2021-22 Council 2 Nov 2021 Min 2920</p> <p>Latest Privacy policy adopted 1 Dec 2020 Cllrs Email Policy adopted 1 Dec 2020, the Staff Email and Communication Policy was adopted earlier in the year on 7 July 2020. Data Protection Policy adopted 27 May 2020</p>
--	--	---