

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 0</p> <p>LOW 16</p>	<p style="text-align: center;">Westgate-on-Sea Town Council</p> <p style="text-align: center;">INTERNAL AUDIT 2020-2021</p> <p style="text-align: center;">AUDIT PLAN WITH COMMENTS / FINDINGS</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 2021, following my audit visit and subsequent conversations on 29 April 2021.</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;">Area</p>	<p style="text-align: center;">Item</p>	<p style="text-align: center;">Comments / Findings</p> <p style="text-align: center;">Year-end Audit 31 March 2021</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate for 2019-20 • 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 AGAR 2019-20 on 7 Sept 2020. Received by F&GP – 15 Sept 2020 (Min 2382) and Council 6 Oct 2020 (Min 2395).</p> <p>There were no comments.</p> <p>Posted on the website on a separate webpage.</p> <p>22 April 2020 Internal audit report was considered by the F&GP Committee on 19 May 2020 Min 2217</p>
<p>Minutes</p>	<ul style="list-style-type: none"> • Scan of the minutes of the Council’s meetings and the Finance Committee. • Virtual Meetings ? • General Power of Competence (GPC) ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>The first virtual meeting of the Council was held on 5 May 2020. 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 & Environment Committee).</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>Code of Conduct/ Acceptance of Office</p>	<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>Code of Conduct re-adopted Council 7 July 2020 Min 2289 a)</p> <p>There were no Councillor changes during 2020-21, 10 Cllrs in post</p> <p>May 2023</p>
<p>Standing Orders and Financial Regulations</p>	<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 re Covid -19 ? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Standing Orders & Financial Regulations were approved by Council 7 July 2020 Min 2288 a) & b)</p>

Risk Management

- **Risk Assessments** – Are they:
 - Carried out regularly?
 - Adequate?
 - Reported in the minutes?
 - **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 re Westgate Day 2020 by Safety & Management Solution Ltd.

Annual Review of Risk Assessment and Management Scheme for year ending 31 March 2020 approved by Council 16 June 2020 Min 2269. **Post Audit Note:** 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 Council 16 June 2020 Min 2279 with AXA Insurance via specialist Broker Came & Co. as part of the 3-year Long-term Agreement (LTA) approved to run to Aug 2022.

£150,000 Fidelity cover

A separate insurance policy exists for vehicle insurance with MS Amlin Insurance period – 29 June 2020 to 28 June 2021.

Appointment of the Councillor Internal Auditor confirmed as Cllr O'Connor – Council 27 May 2020 Min 2246. Cllr O'Connor was re-affirmed as the Councillor Internal Auditor for 2021-22 on 4 May 2021 Min 2678

Statement of Internal Control 2019-20 - approved by Council 16 June 2020 Min 2269 **Post Audit Note:** 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 6 July 2020 Min 2289 b) to g) inc. approved 6 policies Council 12 August 2020 Min 2344 & 2345 approved 6 more policies including a Virtual Meeting Policy. What is nice is that it is clear when the “policy was adopted” as the adoption date is on the “front page”.

<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? • Covid-19 implications ? 	<p>Regular reports to full Council eg 6 July 2020 Min 2290 reports to 31 May 2020 on Bank Rec, payments & receipts and annual budget by combined "account codes". The year-end figures for 2020-21 were considered at the Annual Town Council Meeting held on 4 May 2021 including a detailed Receipts & Payments schedule against Budget headings, earmarked reserves report and Trial Balance as at 31 March 2021 (Min 2674).</p> <p>Draft Budget for 2021-22 discussed by F&GP Comm 17 Nov 2020 Min 2454, two versions of the Budget to go to full Council. Council 1 Dec 2021 Min 2479 resolved Draft 2 version be considered by Full Council in Jan 2021, ie an uplift of 4.23% and £5,972 increase in Precept. Council 5 Jan 2021 Min 2509 resolved a Precept Request of £149,475 resulting in a Band D Tax of £60.21 based on the supplied Tax Base of 2,482.41. Full details of the approved Budget/Precept for 2021-22 published in the Town Council Magazine showing the Band D Tax of £60.21, a 6.37% increase or £3.60.</p> <p>The approved Budget for 2021-22 was set at £154,135 Council 2 March 2021 Min 2592</p> <p>The Clerk attended a regular fortnightly Covid-19 zoom meeting organised by Thanet DC to be kept informed of the latest situation and guidance.</p>
<p>Section 137 expenditure</p> <p>£8.32 FOR 2020-21 (£8.12 FOR 2019-20)</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>With the General power of Competence (GPC) in place there is no need of the S137 powers.</p> <p>The Council on 16 June 2020 Min 2278 under GPC powers resolved a grant of £1,000 to Thanet DC Fund Pooling Proposal and the Lifeboat Project as part of the Council's contribution to the Covid-19 response.</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>The Clerk is using the Rialtas (RBS) financial software package for the Budget Monitoring, Precept & 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>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>There is a petty cash float, which had a balance of £296.52 as at 31 March 2021, which is included in the Bank Reconciliation statements.</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>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 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 PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>The Council has a HR Committee which has met regularly during 2019-20. Good Practice</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, G Raine and G Sandwell - Cleansing Operatives (contract – 15 hrs pw)</p> <p>3 probationary periods completed satisfactorily – HR Comm 27 May 2020 Min 2229</p> <p>Town Clerk – 1 incremental progression from 1 Jan 2020 as per HR Comm and subsequent F&GP 19 May 2020 Min 2222</p> <p>New provider from 1 April 2020, DM Payroll Services Ltd another known provider to local councils, replaced MI Payroll & Bookkeeping Services Ltd</p> <p>Town Clerk – LGPS Other staff - NEST Pension regulator re-declaration of compliance – Council 21 July 2021 Min 2318</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 2020-21, check parity for 2019-20 ? 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>Most payments by BACS via Unity Trust Bank, major events included Westgate in Bloom (£5,940) and Christmas Lights (£3,600). Also a contribution to a Crowd-Funding scheme to fund 5 defibrillators in the area.</p> <p>Monthly schedules of payments are posted to the Council's website under the Council Finances page for 2020-21.</p> <p>The list of annual subscriptions and the list of direct debits were approved by Council 27 May 2020 Min 2242 iii) & iv) and again 12 months later on 4 May 2021 Min 2675</p> <p>Staff cost definition in accordance with Best Practice.</p> <p>VAT claims; 1 April 2019 – 31 March 2020 - £6,350 received 20 May 2020 1 April – 30 June 2020 - £701 received 8 Sept 2020 1 June – 30 Sept 2020 - £1,485 received 20 Nov 2020 1 Oct – 31 Dec 2020 - £1,549 received 12 Feb 2021 Amount to claim for the 4th quarter = £2,097.87 received 5 May 2021</p> <p>Sample contracts in place during 2020-21 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 & 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 & broadband</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? • Covid-19 implications? 	<p>Monthly schedules of receipts are posted to the Council's website under the Council Finances page for 2020-21. Grants and donations received towards the Christmas lights and other community projects Rental of desk space to Changing Minds Kent CIC</p> <p>Some cash receipts used to top-up the petty cash float to a max of £300</p> <p>Good allotments billing system in place</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 and if in place Financial Regs updated ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>The bank balances as at 31 March 2021 were</p> <table border="0"> <tr> <td>Unity Trust Bank cur a/c (1522)</td> <td>-</td> <td>£2,641</td> </tr> <tr> <td>Unity Trust Bank dep a/c (1535)</td> <td>-</td> <td>£104,132</td> </tr> <tr> <td>Petty Cash</td> <td>-</td> <td>£297</td> </tr> <tr> <td>TOTAL</td> <td>-</td> <td>£107,070</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>No change</p> <p>No loans</p>	Unity Trust Bank cur a/c (1522)	-	£2,641	Unity Trust Bank dep a/c (1535)	-	£104,132	Petty Cash	-	£297	TOTAL	-	£107,070
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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 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>Inventory List/Asset Register approved by Council 4 May 2021 Min 2675.</p> <p>Includes 5 defibrillators with funding contributions from a Crowd Funding initiative.</p> <p>A “container” for storage was approved in October 2020 (Min 2394), 2 Feb 2021 Min 2558 confirmed the purchase of the container (£1,800 +vat) to be sited at the War Memorial Rec Ground next to the Pavilion.</p> <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 value of these assets will be a nominal £1 and will be reflected in the Asset Register value on the next AGAR form for year ending 31 March 2022.</p>
<p>Year-end procedures Inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 2020-21 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 2019-20 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2020 & website– AIAR ICO L • New governance compliance regime - refer to new Practitioners’ Guide 2020 	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2020-21, including the Bank Reconciliation.</p> <p>The Council approved the AGAR 2019-20 Council 16 June 2020 Mins 2271 & 2272 The RFO signed the Statement of Accounts on 11 June 2020</p> <p>Date of Announcement – 27 June 2020 Public Inspection period – 29 June to 7 August 2020 Evidence – Posted 27 June 2020 along with the unaudited AGAR</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 • Website host and Webmaster and any changes? • Website functionality & accessibility (23 Sept 2020 deadline) 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 inc DPO arrangements 	<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>A Cyber Policy adopted 3 March 2020, Social Media Policy adopted 7 July 2020 and a Website Policy adopted in 12 August 2020</p> <p>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>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.</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>
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