

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 0</p> <p>LOW 16</p>	<p>New Romney Town Council</p> <p>INTERNAL AUDIT 2021-2022</p> <p>AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the New Romney 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 visit and subsequent conversations on 7 June 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 Town Clerk & RFO, Mrs Cathy Newcombe and the Deputy Town Clerk Mrs Tracy Morris for their assistance given to me during my audit visit.</p>	
<p>Area</p>	<p>Item</p> <p>NB new/revised audit inspection for 2021-22 if applicable.</p>	<p>Comments / Findings</p> <p>Year-end Audit 31 March 2022</p>
<p>Previous Audits</p>	<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 AGAR 2020-21 on 14 September 2021. The Town Clerk advised that Cllrs were notified of the receipt and publication of the Section 3 of the AGAR soon after it was received but unfortunately was not placed on a Council agenda for formal ratification.</p> <p>There was one “other matter” relating to the need to amend the AGAR figures for two boxes relating to the previous financial year 2019-20</p> <p>Posted to the website</p> <p>4 June 2021 Internal Audit Report considered by Council 9 June 2021 Min 068/2021-22 (ii)</p> <p>The were no outstanding matters to follow up.</p>
<p>Minutes up to 8 Sept 2021</p>	<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 16 Sept 2020 Min 118/2020-21 approved an extension to the end of the current civic year (May 2021) and that “remote meetings” be held until the end of the civic year.</p> <p>Council 9 June 2021 Min 072/2021-22 – Working Party meetings to be held remotely with immediate effect.</p> <p>General Power of Competence approved by Council on 15 May 2019 Min 031/2019-20 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>16 Cllrs (two wards Town and Coastal) Two by-elections to be held on 9 April 2021 were uncontested as reported to Council 14 April 2021 Min 545/2020-21 Cllrs Carey and Davies elected. Cllr Picco (Coast Ward) resigned – Council 8 Sept 2021 Min 204/2021-22 Mrs J Paice elected - Council 16 Nov 2021 Min 339/2021-22 Cllr Rolfe resigned - Council 15 Dec 2021 Min 413/2021-22 petition received for a by-election Council 27 Jan 2022 Min 489/2021-22. Result announced at Council 16 March 2022 Min 568/2021-22 won by Mrs Sheila Hodges The Town Clerk advised that FHDC have not received the missing DPI's for Cllrs Davies and Hodges that had been posted to them. Both Cllrs have been issued with new forms to re-submit to FHDC. Next full Election due 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 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 were reviewed by Council 13 April 2022 Min 643/2021-22</p> <p>Emergency Delegated Powers first approved 18 March 2020. Council 17 March 2021 Min 491/2020-21 (iii) the current emergency extended delegation be extended again until end of Sept 2021. Council 8 Sept 2021 Min 212/2021-22 (ii) the current emergency extended delegation be extended again until end of the Civic Year (May 2022). All remaining emergency delegations were rescinded by Council on 13 April 2022 Min 646/2021-22</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?

Commercial Services (KCC) carry out a monthly inspection of play equipment, ROSPA inspection done by Playsafety
Council 9 Feb 2022 Min 522/2021-22 refers to “weekly visual safety inspections” to be brought “in-house” following training of the Council’s Parish Caretaker Team. **Post Audit Note:** Training now completed and awaiting receipt of certificates

Risk Management Statement 2021-22 approved by Council 16 March 2022 Min 575/2021-22

A 3-year Long-term Agreement (LTA) with Zurich Municipal was approved by Council 25 March 2019 to run to April 2022. The policy includes motor cover. F&GP 23 March 2022 Min 598/2021-22 approved a 3-year LTA to 1 April 2025.

£2m Fidelity cover

Financial Checks 2021-22 Annual Council 5 May 2021 Min 020/2021-22 Cllrs Tillson and Davies appointed to undertake monthly finance checks for 2021-22.

Review of effectiveness of Internal Control Procedures 2020-21 – Council 9 June 2021 Min 068/2021-22 (ii) & (iii)

Council 16 March 2022 Min 575/2021-22 Review of Appendices to Standing Orders – 20 Policy Documents were approved ranging from ranging from Community Hall Steering Group Terms of Reference to Civic Protocol to Allotments Letting Policy

Statement of Intent for 2022-23 approved by Council 16 March 2022 Min 575/2021-22

<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>The Financial Reports to Council include a bank reconciliation, a list of receipts and list of payments to be approved by Council. Fin Regs requires Qtrly Monitoring of Budgets. These reports are presented to F&GP Comm eg 23 Aug 2021 Min 185/2020-21 (ii), 23 March 2022 Min 592/2021-22(iv).</p> <p>Reserve Fund balances are reviewed as part of the annual budgeting process and contributions thereto are adjusted accordingly each year as part of that process. Reserve Fund Balances noted and approved by F&GP 23 Aug 2021 Min 185/2020-21 (iv) and F&GP 23 March 2022 Min 592/2021-22(vi)</p> <p>Budget & Precept 2022-23 F&GP 1 Dec 2021 Min 380/2020-21 recommended to Council a Draft Budget for 2022-23 of £361,553. Endorsed by Council on 27 Jan 2022 Min 489/2021-22 approved a Net Budget and Precept of £363,553 (£361,000 for 2021-22) and Precept of £363,553 (£361,000 for 2021-22). Details of the Budget/Precept 2022-23 were published in a Press statement and Advert - Council advised 9 Feb 2022 Min 514/2021-22</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>Not necessary with GPC in place.</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? • Turnover above £200k pa ? Income & Expenditure basis of accounting? • Record keeping and the arrangements in place to store previous year's accounts etc. 	<p>There has been no change to the accounting arrangements during 2021-22 although the Council has invested in the Rialtas Business Solutions (RBS) Omega Accounting Package. The Finance Clerk advised that training was scheduled for 23rd and 24th June 2022.</p> <p>The Council accounts on an Income & Expenditure basis already.</p> <p>The switch to the RBS Omega package is an opportunity to streamline some of the accounting details such as the debtors/creditors, accruals/prepayments items, which is quite complex and time consuming for the Finance Clerk to maintain. The RBS consultants should be able to advise on the levels of "materiality".</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>The Council does have a Petty Cash float of £200, which is largely used for postage stamps and re-imburement of incidental expenses.</p> <p>Sample checked several re-imburements made during the year.</p> <p>Last re-imburement 23 March 2022 - £300 (increased use to assist the Parish Caretakers work for minor repairs)</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 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>Current staff as per website Most “office based” staff have worked from home during the pandemic and attended the “virtual meetings” as necessary.</p> <p>Town Clerk & RFO (22.5hrs pw) Deputy Town Clerk & Finance Officer (19.5hrs pw) Planning Clerk (14hrs pw) NB Marlene Worf retired in 31 July 2021. Ms Gemma Hall started 22 July 2021 on a 1-year contract to be reviewed shortly. (new hourly rate from 1 April 2022) Post Audit Note: Now reviewed and permanent contract confirmed WEF 21/07/22.</p> <p>Facilities & PR Clerk (20hrs pw) Mayor’s Secretary & Clerical Asst (9hrs pw) Parish Caretaker was 32hrs pw – Philip Maquire (37hrs pw) Asst Caretaker – 25hrs pw vacancy to fill on a 1 year contract initially Post Audit Note: Jon Lodge appointed commencing - 1/07/22. A Buckland left 28 March 2022 was he the Asst Caretaker</p> <p>Town Sergeant & Mayor’s Sergeant (ad hoc hours as required)</p> <p>Payroll outsourced to S H Bureau Payroll & Bookkeeping Services P45’s and P60’s and payroll records checked.</p> <p>LGPS – 6 staff have opted into the pension scheme.</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>Detailed payment reports are made available to Cllrs as part of the Council Agenda, the list of payments are listed within the "agenda". Schedules of the payments and receipts are normally presented to the Monthly Council Meetings, these are also on the Council's website.</p> <p>Schedule of Payments Approved in Advance for thr financial year 2022-23 approved by Council 16 March 2022 Min 575/2021-22</p> <p>There are a few DD's in place for utility supplies and services, which are reviewed and re-approved annually</p> <p>The collation of the staff costs follows the Box 4 definition.</p> <p>VAT advice sought from Elysian Associates re VAT position and new build of the Community Hall and Sports Facility. (Other clients have sought similar advice eg Paddock Wood TC, Faversham TC and Hawkinge PC) To be VAT registered from 1 April 2022 VAT Claimed 1 Oct 2020 to 30 Sept 2021 - £39,047 recd 11 March 2022 VAT to claim from 1 Oct 2021 to 31 March 2022 = £21,166 to claim in 2022-23</p> <p>Sample of contracts in place:-</p> <p>MPR IT Solutions and TROOLI re upgrade to Town Hall IT systems and telephony Landscape Services – play & gym equipt inspection services (NB to be ended 30 June 2022 as inspections to be done "in-house") BILT Ltd – builders merchants trade account set-up following the closure of Travis Perkins S H Bureau Ltd – payroll services B E Ames Ltd re annual contract to inspect the roof and rainwater goods at the Assembly Rooms, Community Hall and Maude Pavilion – contracts extended F&GP 24 Aug 2020 Min 077/2020-21(i) Printform Direct – stationery supplies Veolia – 1100 ltr euro bin – Town Hall M Coleman Arboricultural Services – Grounds Mtce – (new 3-year contract for various sites approved F&GP 21 Oct 2020 Min 194/2020-21), Allotment Gardens 2021-22 (F&GP 2 Dec 2020 Min 291/2020-21) Rolfe DIY C Simm – window cleaning Town Hall & Assembly Rooms Red Alert Security – CCTV works/support Synergy – QS services and Project Management of the Community Hall and Sports Facility Project Ashe Alarms Ltd – alarm service contract</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 106 & CIL payments • Are income records inc allotments, burials, hirings adequate? • Are invoicing arrangements adequate? • Ongoing Covid-19 implications? 	<p>Charges, Rents & Fees – 2022-23 proposals agreed by F&GP 1 Dec 2022 Min 375/2021-22</p> <p>Non Precept income = £41,780 in 2021-22 mainly from the re-opening of facilities.</p> <p>Hut & Winch Site Letting Policy and T&C's - Council on 9 Feb 2022 Min 521/2021-22</p> <p>Potential Capital Receipt. Land Sale Title No. K815301 – Especial Meeting of the Council 25 Oct 2021 Still on-going - April 2022.</p>												
<p>Bank reconciliation & PWLB Loans</p>	<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>Bank account balances as at 31 March 2022</p> <table border="0"> <tr> <td>NSI Income Bond (3900)</td> <td style="text-align: right;">£651,453</td> </tr> <tr> <td>NatWest Business Reserve a/c (0530)</td> <td style="text-align: right;">£447,353</td> </tr> <tr> <td>Lloyds Bank Business a/c (1868)</td> <td style="text-align: right;">£66,246</td> </tr> <tr> <td>Unity Trust Bank a/c (7680)</td> <td style="text-align: right;">£52,445</td> </tr> <tr> <td>NatWest Current a/c (0942)</td> <td style="text-align: right;">£500 (o/s cheques = £5,654)</td> </tr> <tr> <td colspan="2">Total Bank balances as at 31 March 2022 = £1,212,343</td> </tr> </table> <p>Annual Investment Strategy for 2022-23 approved by Council 16 March 2022 Min 575/2021-22</p> <p>Bank Working Party – Task & Finish to evaluate additional banking facilities. F&GP 23 Aug 2021 Min 191/2020-21</p> <p>The Finance Clerk should start using the Unity Trust “internet banking facilities” ASAP, which will streamline the bank reconciliation arrangements and greatly reduce the time-consuming cheque writing for staff and Councillors in signing-off the cheques. ALSO the added complication of using two bank accounts for cheque payments should be stopped immediately. The Unity Trust Bank should become the main bank account for the Council’s transactions other than perhaps the already established SO and DD arrangements in place, which can be moved over to one bank account, preferably Unity Trust.</p> <p>Lloyds Multipay card via Unity Trust Bank from February 2021 monthly spend limit £3,000 Town Clerk and Deputy.</p> <p>The Town Clerk advised that Bank Signatories have been reviewed for 2022-23 and include additional signatories; will be updated to add to relevant bank mandates as soon as is practically possible.</p> <p>The Council resolved to draw-down a PWLB Loan of £1m repayable over 31 years to provide a new Community Hall and Sports pavilion and refurb of the adjacent nursery building at Station Road Sports Field - Council 9 Dec 2021 Min 402/2021-22. Amended to 36 years 16 March 2022 Min 569/2021-22</p> <p>Application submitted but still on-going - April 2022.</p> <p>No loans as at 31 March 2022.</p>	NSI Income Bond (3900)	£651,453	NatWest Business Reserve a/c (0530)	£447,353	Lloyds Bank Business a/c (1868)	£66,246	Unity Trust Bank a/c (7680)	£52,445	NatWest Current a/c (0942)	£500 (o/s cheques = £5,654)	Total Bank balances as at 31 March 2022 = £1,212,343	
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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>High Street Bench (Magnox grant funded) £1,769 Fairfield Road Rec Ground – Slide Unit £23,715 Office equipment – net £4,183</p> <p>Capital Project – Community Hall and Sports Pavilion Project – approval to publish the Invitation to Tender for the Project – Especial Full Council – 19 July 2021 Min 162/2021-22 Tenders due back by 4 Oct 2021. Tenders exceeded the Budget, a fixed price contract being pursued in 2022-23.</p> <p>Future transfer of assets from Folkestone & Hythe DC including play areas and toilets mentioned in the Minutes during 2020-21 Civic Year. The Town Clerk advised that a lease agreement is being drawn up for the Town Council to take over the management of the Station Road Play Area (40 year lease likely to be completed in 2021-22). The Town Clerk advised that FHDC progress has been very slow, the Council do not have ownership of the toilets on The Green.</p> <p>Decommissioned PC towers and laptops (donated to laptops for schools scheme) F&GP 23 Aug 2021 Min 185/2020-21 (v)</p> <p>Net increase in assets to 31 March 2022 is £17,550 to £3,615,646.</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 AGAR 2020-21 was approved by Council on 9 June 2021 Min 070/2021-22(ii)(a)&(b). The RFO signed off the Statement of Accounts on 14 May 2021.</p> <p>Date of Announcement - 30 June 2021 Public Inspection period – 1 July to 11 August 2021 Evidence – 30 June 2021 as per Council Minutes 131/2021-22 3) of 7 July 2021 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 ○ CIlr email addresses? ○ Email disclaimer ○ Other matters inc DPO arrangements 	<p>MPR IT Solutions & TOOLI providing IT support and broadband services as part of the Upgrade of the Town Hall IT Systems Council 16 Dec 2021 Min 324/2020-21 included 5 new laptops linked to larger screens in the offices. Includes hi-speed broadband, Office 365 systems and internet phones. Council 15 Dec 2021 Min 413/2021-22 reported the return of Councillor Laptops with all the email accounts reset, the Clerk advised that the “electronic service of communications and documents would resume from Jan 2022.</p> <p>Refurbished second-hand laptops were purchased in 2020-21 to facilitate staff working from home during the pandemic. NOT applicable</p> <p>Review of effectiveness of Internal Audit 2020-21 – Council 9 June 2021 Min 069/2021-22</p> <p>Vision ICT Ltd website provider, Ms Judith Ruffhead the Facilities & PR Clerk is regarded as the webmaster in consultation with the Town Clerk.</p> <p>Accessibility Statement provided by Vision ICT last updated Feb 2020 available at the foot of the website “home page”. The functionality of the website is good. Well done.</p> <p>Satswana – DPO services (retained for 2022-23)</p> <p>All staff have generic style eg town.clerk@newromney-tc.gov.uk Councillors have been issued with their generic email addresses for use with their laptops to be used solely for Council business.</p> <p>Data Protection Policy “Date Audit and “Date Retention Policy” approved by Council 16 March 2022 Min 575/2021-22</p>
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