

<p>Risk Assessment</p> <p>HIGH 0</p> <p>MEDIUM 1</p> <p>LOW 15</p>	<p style="text-align: center;">New Romney Town Council INTERNAL AUDIT 2019-2020 AUDIT PLAN WITH COMMENTS / FINDINGS</p> <p>I am pleased to report to Members of the New Romney Town Council (the “Council”), that I have completed my annual internal audit of the Council’s records for the twelve month period to 31 March 2020, following my remote audit and subsequent conversations on 20 May 2020.</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 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 Annual Audit 20 May 2020</p>
<p>Previous Audits</p>	<ul style="list-style-type: none"> • Date of last External Audit Certificate or Exemption Certificate • 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 2018-19 on 9 Sept 2019. Received by Council 7 Oct 2019 (Min 350/2019-20 (2).</p> <p>No comments</p> <p>Posted to the website</p> <p>7 June 2019 considered by Council 10 June 2019 Min 102/2019-20</p>

Minutes	<ul style="list-style-type: none"> • Scan of the minutes of the Council's meetings and the Finance Committee. • Localism Act 2011 • General Power of Competence ? • Dispensations • S.40 LA&A Act 2014 filming/recording 	<p>I scanned the published Minutes on website, which includes "draft" minutes – Good Practice. The Town Clerk advised me of the pending move to a new website provided by Vision ICT Ltd and have suggested other sites using the same website design.</p> <p>Terms of Reference for the Committees are on the website. The Amenities Committee was "stood down" in August – Council 12 Aug Min242/2019-20 for a trial period. Permanent cessation and all business transferred to the F&GP Comm Council 12 Feb 2020 Min 625/2019-20</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>
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>May 2019 Elections - the Council has two wards (Town & Coast) both were contested 8 seats per Ward 16 seats in total.</p> <p>The website at the time of my audit visit had 16 Clrs listed with the associated DPI link available but several of the DPI's were missing. I understand that the Town Clerk has requested the District Council to provide copies of DPI's that had been submitted directly to the District Council as last May 2019 at the time of the Elections the town Clerk was on sick leave. Post Audit Note: The new website that has just been launched has the DPI links in place.</p> <p>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? • Updated re New NALC Models SO's 2018, Fin Regs 2019 ? • Two signature rule still in place? 	<p>Standing Orders (SO's) last reviewed and amendments approved 8 April 2019. The Town Clerk advised that she is revising the SO's and Fin Regs in-line with the NALC Models and proposing to bring them to the Council at a future Meeting. The current SO's are actually a combined document with the Fin Regs as "part 2" making for a 45-page document. In my view it would be easier to have two separate documents as all my other clients do, making it easier to bring forward amendments to either document in the future.</p> <p>Coronavirus scheme of delegation to exist for an initial period of 6 months to 30 Sept 2020- Council 18 Mar 2020 Min 685/2019-20</p> <p>Good system of recording the "delegated decisions" which are posted to the website. Well done for getting this sorted so quickly.</p> <p>Yes</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?

ROSPA Play Safety – Annual Inspection August 2019
 Property Maintenance reports presented to F&GP Committee eg 4 Nov 2019 Min 426/2019-20

Risk Management Statement for 2018-19 formally approved by Council 10 June 2019 Min 101/2019-20
 Access Audits – Council 7 Oct Min 357/2019-20 a Working Party to be established to develop an Access Action plan to be brought back to Council by March 2020. The Town Clerk advised that this has been delayed and with the Covid-19 pandemic effectively closing the Council down in terms of being able to hold Meetings will not be addressed for a while. **The Annual Review of all the risks facing the Council is part of the Annual Governance Arrangements of the Council and is one of the “Assertions” contained with the Annual Governance Statement to be signed off by Council as soon as it is possible to hold Meetings again.**

Post Audit Note: Since my visit the Town Clerk has advised that an official “Zoom” account has been set-up and the Town Clerk is receiving some training from the District Council and putting in place “the protocols” for the conduct of the “virtual meeting” prior to the holding the first virtual meeting. Cllrs already have a tablet device to enable the move to a “paperless office”, using them for the virtual meetings should not be too difficult to achieve. Anecdotal evidence from both Clerks and Chairs that I have spoken to over the last few months is that they like the “virtual meeting” because it is more disciplined, and meetings are shorter!

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.

£2m Fidelity cover

Financial Checks 2019-20 Council 15 May 2019 Min 030/2019-20
Cllrs Tillson and Rodriguez re-appointed to carry out monthly financial checks. The Town Clerk explained that these checks were not carried out during 2019-20 but it is intended that the two Cllrs will re-commence the checks, when it is safe to do so post Covid-19.

There are numerous “procedures and policies listed on the Council’s website ranging from allotments, hut & winch sites to the Standing Orders and Code of Conduct for Members. Recent additions have been “delegated decisions” related to the Covid-19 situation

<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? 	<p>Fin Regs requires Qtrly Monitoring of Budgets No. 49c. These reports are presented to F&GP Comm eg 15 July 2019 Min 168/2019-20, 16 Sept Min 304/2019-20, 4 Nov Min 427/2019-20 and 22 Jan 2020 Min 567/2019-20</p> <p>F&GP 27 Nov 2019 co-ordinated the Budget bids form the Committees and recommended to Council a net Budget of £366,369 Min 482/2019-20.</p> <p>Budget discussion for 2020-21 linked to the resolution to pursue a PWLB Loan for the new Community Hall and Sports Pavilion of £1m requiring an increase in Precept of £22,500 to cover the loan repayments equivalent to a 6.1% (£7.25pa) increase in the Band D tax. Council 23 Jan 2020 Min 581/2019-20.</p> <p>Net Budget and Precept approved at £366,369 for 2020-21 Min 582/2019-20</p>
<p>Section 137 expenditure</p> <p>£8.12 FOR 2019-20 (£7.86 FOR 2018-19)</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? 	<p>The accounts are still spreadsheet based and whilst very good due to the efforts of the Deputy Town Clerk & Finance Officer I feel the Council needs to consider the introduction of a computerised set of accounts. The two commonly used accounting packages developed for town and parish councils are provided by Rialtas Business Solutions www.rialtas.co.uk and Scribe Accounts www.scribeaccounts.com</p> <p>I have provided a list of users to the Town Clerk from my client's data base, although I am sure both companies would provide details of Kent based councils.</p> <p>Although Sage Accounts is a popular package in the commercial field is not easily customised for local councils and therefore not widely used in the sector.</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? • Is petty cash reimbursement carried out regularly? • 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>Payroll</p>	<ul style="list-style-type: none"> • Who is on the payroll and are contracts of employment in place? • Who is the RFO? • 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 any ad-hoc payments or benefits been appropriately approved? • Have PAYE/NIC requirements been properly applied and accounted for? • Payroll outsourced? • WORKPLACE PENSION IN PLACE 	<p>Current staff as per website There have been tweaks to the contracted hours during the year and a trial period of flexible working (introduced before Covid-19) and a new Job description and person spec. for the revised post of Facilities & PR Clerk appointed for an initial fixed 12-month term Min 375/2019-20</p> <p>Town Clerk & RFO (22.5hrs pw) Deputy Town Clerk & Finance Officer (19.5hrs pw) Planning Clerk (14hrs pw) Facilities & PR Clerk (15hrs pw) appointed 24 Jan 2020 Min 590/2019-20 Clerical Asst & Mayor's Secretary (6-9hrs pw job and job title extended to include support for the Mayor) Parish Caretaker (32hrs pw) Caretaker – Assembly Rooms (currently Vacant) Town Sergeant & Mayor's Sergeant (ad hoc hours as required)</p> <p>Payroll outsourced to S H Bureau Payroll & Bookkeeping Services 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 2019-20, check parity for 2018-19 ? 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? • Are items above a de minimus amount purchased competitively? • 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>All payment documents were made available for inspection, a sample was tested. The supplementary checks by Cllrs were not done during 2019-20 as explained earlier.</p> <p>Schedules of the monthly payments and receipts are presented to the Monthly Council Meetings, these are also on the Council's website.</p> <p>There are a few DD's in place for utility supplies and services, which are reviewed and re-approved annually. I suggest all such supplies are moved over to a DD arrangement eg water, gas, electricity phone/broadband etc if a check is in place to avoid any large cumulative overpayments.</p> <p>The collation of the staff costs follows the Box 4 definition.</p> <p>VAT reclaimed 1 Oct 2018 to 30 Sept 2019 - £30,711 re-imburement received 4 March 2020 To Claim – 1 Oct 2019 to 31 March 2020 - £5,860</p> <p>Sample of contracts in place:- B E Ames Ltd re annual contract to inspect the roof and rainwater goods at the Assembly Rooms, Community Hall and Maude Pavilion Council 11 Dec 2019 Min 501/2019-20 Printform Direct – stationery supplies Veolia – 1100 ltr euro bin – Town Hall The Millenium Quest Ltd – Christmas Lighting M Coleman Arboricultural Services – Grounds Mtce – Allotment Gardens The Computer Lady – remote IT support BT – phone line and broadband Rolfe DIY C Simm – window cleaning Town Hall & Assembly Rooms Red Alert Security – CCTV works/support</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? 	<p>The former Amenity Comm Charges, Rents and Fees for 2020-21 considered by F&GP Comm 27 Nov 2019 Min 477/2019-20</p> <p>The main "other receipts" in the year is derived from the hire of the Assembly Rooms, the Town Hall House, the Community Hall and allotments</p> <p>Invoicing arrangements in place such as hire of the Assembly Rooms.</p> <p>I asked the Town Clerk about the retention of personal data of your regular hirers AND whether she had notified such people as to what data is held and the purpose as per GDPR requirements. The Town Clerk is aware this needs to be done but the staffing situation during the last year has delayed action on this, one of the first things to implement is a modified "terms of hire" document.</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 ? • Signature review (Two signatures required?) • Any PWLB loans ? 	<p>The banking arrangements have remained the same since my last audit visit despite a recommendation to review where the significant sums of cash are held to maximise the security offered by the FSCS. I appreciate that it has been a difficult year for the senior staff of the Council and changes to the banking arrangements is one area to have been neglected.</p> <p>My recommendations for change in the next 12 months is to commit to the internet banking facilities offered by Unity Trust Bank, which still retains the 2 signature rule, ie The Town Clerk and Deputy would have "administration and view" rights, whereas the nominated Cllrs would have "authorisation and view" access rights. However, this will require the nominated Cllrs to be familiar with internet banking in terms of logging-on with a higher level of password/ID access, which may require additional authorised names to be added to the existing bank mandate. The level of funds held with the NatWest Bank needs reducing and the obvious starting point is to close the Treasury Reserve Account, which has had a rolling balance of £45,000 and a very low interest rate. The NatWest Business Reserve account has £244,500 in it as at 31 March 2020, requiring a further £160,000 to be transferred elsewhere. A lot of accounts can be opened on-line, which would be an advantage in terms of registering the authorised signatories. Not many financial institutions are prepared to accept deposits of money from "local councils", but I know the following organisations registered with the FSCS have funds lodged by my clients. Nationwide Bu Soc, Cambridge Bu Soc, Cambridge & Counties Bank, Hampshire Trust Bank. They have various accounts on offer such as a 95-day notice account, a one-year bond etc., an ideal exercise for a few Cllrs to explore and say report back to the F&GP Comm and to recommend to Council. Another option is the NSI, which is fully back by Government.</p> <p>Bank signatories for 2019-20 approved by Council – 15 May 2019 Min 029/2019-20 Cllr Rolfe removed from all mandates, all others re-appointed ie Town Clerk Mrs Newcombe, Deputy Town Clerk Mrs Morris, Cllrs Coe, Metcalfe and Hiscock Council 8 July 2019 Min 152/2019-20 the incumbent Finance Officer to act as an additional cheque counter-signatory. The Standing Order 52 (g) (Financial Regulations) was amended to reflect the inclusion of the Finance Clerk as a cheque Counter-Signatory Council 12 Aug 2019 Min 234/2019-20 (i) and Min 241/2019-20 Cllrs Thomas, Rivers and Lonbay-Kapoor were approved on 18 March 2020 and physically added the following week. Council 23 Jan 2020 Min 581/2019-20 resolved to seek approval of a PWLB Loan of £1m repayable over 40 years</p>

<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>Council 18 Mar 2020 – Min 685/2019-20 Coronavirus Emergency - Formally approved the purchase of laptops, software, smart phones and mass storage devices to enable Council Officers to work remotely and to authorise the re-imbursement of any telephone costs incurred. The purchase of equipment related to this Minute has NOT been included in the Asset Register, nor have the 19 tablets to be used to facilitate a move to a “paperless office” and fortuitously “virtual meetings”.</p> <p>The Clerk explained that these items fell below the financial threshold for inclusion in the Asset Register.</p> <p>The Asset Register inspected was up to date.</p> <p>I strongly recommend that the Deputy Town Clerk & Finance Officer creates an “Inventory List” of the Cllrs tablets and the other IT and Office equipment to catalogue these items, which in total is a significant sum. It would also facilitate the monitoring of the equipment particularly the Cllr tablets that will be “on loan” whilst a Cllr.</p>
<p>Year-end procedures inc. AGAR</p>	<ul style="list-style-type: none"> • Does the 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 AGAR & Certificate of Exemption if applied • PROOF of public rights provision during summer 2019 & website– AIAR ICO L • New governance compliance regime - refer to new Practitioners’ Guide 2019 	<p>Accounting records were checked against the figures to be used in the AGAR Statement of Accounts for 2019-20, including the Bank Reconciliation.</p> <p>AGAR 2018-19 approved by Council – 10 June 2019 Min 104/2019-20 (ii) (a) & (b)</p> <p>Date of Announcement - 24 June 2019 Public Inspection period – 1 July to 9 August 2019 Evidence – The Town Clerk was able to produce the evidence of posting of the Public Rights Notice to the website, which was 24 June 2019, the day of the announcement. I suggested the Town Clerk checks what system of “posting history” was kept by the new website designed by Vision ICT Ltd in readiness for the posting of the 2019-20 AGAR and Public Rights Notice in June/July 2020.</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 • Annual Statement of Internal Control • Website host and Webmaster • Website functionality & accessibility 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 	<p>ICT User Policy – resolved Council 7 Oct 2019 Min 359/2019-20 approved and to be adopted on the date of issue of the Council owned laptop/netbook devices to Cllrs.</p> <p>Council 11 Nov 2019 449/2019-20 approved the purchase of a “.gov.uk” domain name for the new website and email addresses in light of the Council's current move towards electronic methods of communication and the requirement to update its website to meet accessibility requirements.</p> <p>The Council uses the “Computer Lady” for remote IT support and advice on new IT equipment etc such as the recent requirement for portable IT to enable staff to work from home during the Covid-19 lockdown.</p> <p>Review of effectiveness of Internal Audit for 2018-19 resolved by Council 10 June Min 103/2019-20</p> <p>Council 11 Dec 2019 Min 499/2019-20 website upgrade to ask Vision ICT Ltd to modernise the Council's web presence to meet the Accessibility Regs 2018 etc. – the new website is not live yet but will be www.newromney-tc.gov.uk , Ideally the old website should be removed or at least have a prominent notice on the “homepage” advising of the new site and preferably have a working link to re-direct the visitor to the new site. Post Audit Note: The new website is available.</p> <p>There is an accessibility statement on the new website advising visitors of how accessible the website is and warning that some documents cannot be accessed using screen reader software. The website is accessible on a smart phone, tablet or computer.</p> <p>During my recent audits several of my Clients have shown me an “accessibility app” , which should be able to be “bolted-on” to the Council' new website - view www.brenchleyandmatfield.co.uk and www.wrothampc.org</p> <p>At the moment the email addresses of the Cllrs displayed on the website are all different, with no generic address in use as recommended to help comply with GDPR</p> <p>All staff have generic style eg townclerk@newromneytc.co.uk The Town Clerk explained that the intention was to launch the new generic email addresses for all Cllrs when they were issued with their laptops to be used for Council business. From this point onwards all email traffic to Cllrs would be via the generic email address. Only one Councillor had NOT responded to the Town Clerk on this matter at the time of my visit.</p>
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