

Risk Assessment <div style="background-color: red; color: black; padding: 2px;">HIGH</div> 0 <div style="background-color: yellow; color: black; padding: 2px;">MEDIUM</div> 0 <div style="background-color: green; color: black; padding: 2px;">LOW</div> 16	<div style="text-align: center;"> Hythe Town Council INTERNAL AUDIT 2023-2024 AUDIT PLAN WITH COMMENTS / FINDINGS </div> <p>I am pleased to report to Members of the Hythe Town Council (the “Council”), that I have completed my interim internal audit of the Council’s records for the six month period to 30 September 2023, following my audit visit and subsequent conversations on 5 December 2023.</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 Julie Abbott and the Finance & Projects Officer Mrs Julie Gibbs for their assistance given to me during my audit visit.</p>		
Area	Item	Comments / Findings Interim visit 5 Dec 2023	Comments / Findings Year-end Audit XX XXX 2024
Previous Audits	<ul style="list-style-type: none"> Date of last External Audit Certificate or Exemption Certificate for 2022-23 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>Mazars signed off the Report & Certificate 2022-23 on 24 Sept 2023, there were no comments. Council noted the Mazars Report 5 Oct 2023 Min 191/23.</p> <p>The AGAR including the External Audit section has been published on the Council's website.</p> <p>Year-end Report dated 2 May 2023 considered by Council 18 May 2023 Min 22/23 and by F&GP 29 June 2023 Min 84/23</p>	
Minutes	<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>The website contains the agendas and minutes on the relevant webpage per committee meeting. The supporting financial reports/papers are separate due to their size.</p> <p>GPC approved for 2023-27 (4 years) – Council 18 May 2023 Min 20/23</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>Last review of Code of Conduct doc by Standing Orders Comm 11 Oct 2022 Min 7</p> <p>Elections held on 4 May 2023 – North Ward – 4 seats, 5 candidates South Ward – 4 seats, 7 candidates East Ward – 4 seats, 4 candidates West Ward – 4 seats, 6 candidates Of the 16 Cllrs elected 9 are new Cllrs, the Town Clerk arranged suitable training with KALC DPI information available on the Council's website linked to the "Councillors Page"</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 NALC Models SO's 2018 updated April 2022, Fin Regs 2019 ? • Two signature rule still in place? 	<p>F&GP Comm 23 March 2023 Min 338/22 – Financial Regulations Review, included changes to the seeking of "tenders/quotations" thresholds</p> <p>Council 30 March 2023 Min349/22, Standing Orders Review Both documents are scheduled for review in 2024.</p> <p>Although the Council maintains a Zoom Account, this is primarily for the meeting streaming facilities, not to be confused with the virtual meetings and additional delegation powers that existed during the height of the pandemic in 2020-21.</p>	

<p>Risk Management</p>	<ul style="list-style-type: none"> • Risk Assessments – Are they: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ Appropriate/Adequate? ○ LTA in place? ○ Reviewed regularly? ○ Fidelity Guarantee Cover £ (Balances + ½ Precept) • Internal controls – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Reviewed regularly? ○ Statement of Internal Control (SIC)? • Systems and Procedures – are they: <ul style="list-style-type: none"> ○ Documented? ○ Adequate? ○ Followed? ○ Reviewed regularly? 	<p>F&GP 23 March 2023 Min 335/22 Financial Risk Review</p> <p>Weekly Play Equipt Inspections by FHDC and ROSPA inspections by Wicksteed</p> <p>All the Risk Assessments were reviewed by Council 20 July 2023 Min 115/23 as per the requirement of Assertion 5 on the Annual Governance Statement</p> <p>Council reviewed the Insurance Policy and accepted a 3-year LTA to 31 Aug 2025 with Hiscox via Arthur J Gallagher (broker). Council 20 July 2023 Min 114/23 approved the desktop valuation of the Council Buildings and approved a Cyber Package Insurance extension.</p> <p>BES Engineering Inspection cover for the Oaklands 1 Sept 2023 – 31 Aug 2024 via James Hallam (Broker) Fidelity Guarantee - £750,000</p> <p>The SIC for 2022-23 approved by Council 18 May 2023 Min 21/23 as part of the AGAR approval process.</p> <p>A major review of policies, protocols and procedures was completed in October 2022. Some of these policies will need revisiting and reviewing during 2024.</p>	
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<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? 	<p>F&GP Comm reviews monthly Budget Monitoring Reports and Bank Reconciliations, Reports of payments and receipts eg 29 June 2023 Min 81-83/23 and 3 Aug 2023 Min 129-131/23</p> <p>F&GP Comm 30 Nov 2023 considered the first 2024-25 Budget Report with a preferred option including all the proposals submitted by Cllrs with a Spend of £532,155 and a Precept of £452,033 resulting in a Band D increase of £11.95pa based on the existing Tax Base. F&GP deferred any recommendation to full Council until January 2024 for recalculations to be made with a target increase for Band D of no more than 5%.</p>	
<p>Section 137 expenditure</p> <p>£9.93 FOR 2023-24 (£8.82 FOR 2022-23)</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>The S137 limit for 2023-24 announced increased by 12.5% (the RPI increase Sept 2021 to 2022) to £9.93</p> <p>GPC power 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>Scribe Accounts came into use in 2022-23 and used for financial reporting and used for the year-end accounting.</p> <p>The accounts are on an Income & Expenditure basis</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 an Office petty cash float and a seasonal one for the Tennis & Bowls facilities, which is kept in a locked safe when not in use. Office Float - £250 Tennis/Bowls Float - £70</p> <p>13 Sept 2023 - £43.31 re-imbursement to restore the £250 balance in the Office float.</p> <p>Staffing as at time of visit Mrs Julie Abbott Town Clerk & RFO (37hrs pw) Laura Cook – Plans & Facilities Officer (37hrs pw) Kate Spokes – Council & Charitable Trust Admin Asst (resigned 1st Dec 2023 replacement to be sought) Roland Domingo – Finance Asst (37hrs pw) - left 26 May 2023, replaced by Julie Gibbs Finance & Projects Officer (commenced 31 July 2023 p/t 20hrs pw) (NB remaining hours to be put towards recruitment of a new position of Communications and Project officer Personnel Sub Comm 11 Sept 2023 03/23) Terry Reese – Town Sergeant & Mayor’s Secretary Tim Cudby – Caretaker Sports Pavilion Kevin Bailey – Hythe Museum Curator (honorary basis, not employed) Paul Fox – Caretaker Town Hall and seasonal Senior attendant for tennis/bowls Seasonal Staff 2 x bandstand attendants & 2 Tennis & Bowls attendant The National Pay Award for 2023-24 as notified by NALC (2 Nov 2023) was approved by Council and paid to staff with any necessary backdating of pay. Payroll software used by RFO links with the Sage 50 accounting package Payroll records checked including new starter details and P45’s for the leavers as applicable. In-house – RFO responsible. LGPS pension scheme in place. All staff eligible are members of the pension scheme</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? 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>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 2023-24, check parity for 2022-23? 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>Payment files well kept, good audit trail, most payments via F&GP Meetings. Purchase requisition proforma includes signatures of the Town Clerk/RFO and Chair of F&GP</p> <p>There are separate accounting arrangements for the Davis Oaklands Trust (DOT)</p> <p>Review of variable DD's – F&GP 16 Feb 2023 Min 300/22 eg Octopus Energy, Vodafone, BT, Castle Water.</p> <p>Staff costs definition used within the Sage a/cs complies with the Statement of Accounts requirement for Box 4.</p> <p>Scribe accounts are set up to be compliant.</p> <p>Vat claims:-</p> <p>Qtr.4 1 Jan - 31 Mar 2023 - £6,812 recd 26 Apr 23</p> <p>Qtr.1 1 Apr - 30 Jun 2023 - £13,108 recd 5 Sep 23</p> <p>Qtr 2 1 Jul – 30 Sept 2023 - £14,083 submitted 22 Nov 23</p> <p>Sample Contracts and Works in place -</p> <p>Teach Me Courses - Fishermans Beach Artwork Project - Council 23 June 2022 Min 63/22</p> <p>Luke Hall Electrical Contractors - CCTV Installation at various sites including the Town Hall and Oaklands and annual Mtce thereafter.</p> <p>Folkestone & Hythe DC- Grounds Mtce.</p> <p>Zoom – virtual meetings software re streaming</p> <p>Asana – Work management system</p> <p>Harmer & Sons Ground Mtce Ltd. – various repairs as requested.</p> <p>Hallet & Co – legal services</p> <p>Town & Country Cleaners Ltd – office cleaning services</p> <p>Euro Car Parks – Management of Portland Road CP</p>	
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Receipts	<ul style="list-style-type: none"> • Are all receipts recorded correctly? • Are all receipts promptly banked? • Precept, CTSG and Sect 136 payments • Are income records inc allotments, burials, hirings adequate? • Are invoicing arrangements adequate? 	<p>F&GP 21 Sept 2023 Min 172/23 review of fees for 2024-25.</p> <p>Notable income received to 30 Sept 2023</p> <p>Portland Road Car Park - £6,576</p> <p>Land & Property hire/rent - £21,341</p> <p>Sports & Pav income - £15,147</p>	
Bank reconciliation & PWLB Loans	<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 @ 30 Sept 2023</p> <p>NatWest current a/c 8545 - £41,653</p> <p>95 day a/c 5105 - £55,848</p> <p>30 day a/c 5091 - £383</p> <p>£88,621</p> <p>Unity Trust a/c 0741 £118,862</p> <p>Triodos 33 day a/c 8511 £65,906</p> <p>Nationwide a/c 9056 £66,370</p> <p>Cambridge BSoc a/c 0515 £75,274</p> <p>Cambridge & Counties Bank £77,949</p> <p>NSI a/c 4803 £68,453</p> <p>5342 £70,147</p> <p><u>TOTAL £640,845</u></p> <p>Plus</p> <p>Nat West Mayoral a/c 9886 - £10</p> <p>Petty cash floats - £320</p> <p>Unbanked cash - £0</p> <p>F&GP 23 March 2023 Min 339/22 – Annual Investments Strategy for 2023-24.</p> <p>Bank Signatories Council 18 May 2023 Min 19/23 Deputy Mayor (Cllr J Hawkins) and Vice Chair of F&GP (Cllr J Stokes) and Cllr P Snow, Cllr Prater & Cllr Jones</p> <p>O/s loan with Davis Oakland Trust 31 March 2023 - £78,200</p>	

Assets and Asset Register (AR)	<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>Asset Value at 31 March 2023 = £3,939,795</p> <p>F&GP 16 Feb 2023 Min 302/22 CCTV installation as part of the "Hythe Against Crime Project" - The Green, Skatepark and Oaklands completed</p> <p>New play equipt installations completed in May 2023</p> <p>Eaton Lands (£25,838)</p> <p>Reahfields (£15,970)</p> <p>Palmarsh (£25,428)</p> <p>St Georges Place (£2,981)</p> <p>As per Budget monitoring report F&GP/23/10 – F&GP 30 Nov 2023</p>	
Year-end procedures Inc. AGAR	<ul style="list-style-type: none"> Does the 2023-24 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 2022-23 AGAR & Certificate of Exemption if applied PROOF of public rights provision during summer 2023 & website– AIAR ICOs Public Inspection Period Minuted ? New governance compliance regime - refer to new Practitioners' Guide 2023 	<p>Year-end procedures to be checked at final audit</p> <p>The AGAR 2022-23 was approved by Council 18 May 2023 Mins 23/23 & 24/23, the RFO had signed off the Statement of Accounts on 12 May 2023</p> <p>Date of Announcement – 19 May 2023</p> <p>Public Inspection period – 26 June to 4 Aug 2023</p> <p>Evidence – 19 May 2023 – screen shot of posting</p> <p>No specific Minute noting the Public Inspection Period but Cllrs were advised.</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 NALC L09-18 • TRANSPARENCY CODE compliant especially for Exempt Authorities • Post GDPR (May 2018) <ul style="list-style-type: none"> ○ Privacy Notice ○ Cllr email addresses? ○ Email disclaimer ○ Other matters inc DPO arrangements 	<p>F&GP 16 Feb 2023 Min 301/22 – approved an IT upgrade to Microsoft 365 licences, Introduction of Sharepoint and Azure Active Directory</p> <p>Carried out the Independent examiner's report for Davis Oaklands charity in Dec 2023.</p> <p>Aubergine website went live Jan 2021, the Town Clerk, Julie Abbott is the appointed webmaster but the Admin Asst postholder (currently vacant) is usually the main website administrator, which also includes social media content on Facebook, Twitter and Instagram.</p> <p>Good functionality and content. Accessibility statement link can be found on the Home Page.</p> <p>Council 16 Dec 2021 Min 251/21 Town Clerk appointed as the Council's DPO Cllrs email addresses in place and IT equipt updated as part of the overall Microsoft upgrades and Sharepoint mentioned above. New Cllrs elected in May 2023 all have and use their Cllr email addresses.</p>	
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