

**INTERNAL AUDIT REPORT**

**TO**

**DICKENS HEATH  
PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2023 - 2024**

**Prepared by: Bill Robinson**

**Issued May 2024**

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### Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Dickens Heath Parish Council

This report has been prepared solely for Dickens Heath Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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## Dickens Heath Parish Council Internal Audit

This Internal Audit was undertaken on Wednesday 24<sup>th</sup> April 2024 with the Clerk and RFO of Dickens Heath Parish Council in the Parish Council office.

### Accurate book keeping

- Income and expenditure entries to the cashbook were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- All receipts for Dickens Heath Parish Council accounts, were banked in a timely manner
- Bank reconciliation – this was checked and found to be correct on a monthly basis.
- In addition an audit trail of the following cheques was carried out

For year 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

Date	Payment Number	Minute Ref.	Payee	Amount
20/04/23	1	195 (22-23)	Fairways	£526.50
20/04/23	2	195 (22-23)	WALC	£1019.80
20/04/23	7	195 (22-23)	M.Small	£21.70
16/05/23	24	24 (23-24)	W.Robinson	£199.00
16/05/23	26	24 (23-24)	SLCC	£200.00
16/05/23	31	24 (23-24)	M.Connolly Dowson	£178.97
16/05/23	42	24 (23-24)	WMPF	£580.14
13/06/23	49	195 (23-24)	Fairways	£526.50
13/06/23	58	195 (23-24)	R.Small	£266.74
13/06/23	68	195 (23-24)	H.Raithby	£48.79
11/07/23	69	208 (23-24)	BT	£103.18
11/07/23	77	208 (23-24)	HSBC	£8.00
11/07/23	85	208 (23-24)	HMRC	£324.06
20/08/23	88	221 (23-24)	Fairways	£526.80
20/08/23	102	221 (23-24)	Staff	£3730.96
Sept. 23	108	221 (23-24)	Moore	£504.00
Sept. 23	123	221 (23-24)	Fairways	£136.08
Oct. 23	125	234 (23-24)	Village Landscapes	£810.00
Oct. 23	130	234 (23-24)	Staff	£60.00
Nov. 23	143	248 (23-24)	Burleys	£3482.40
Nov. 23	144	248 (23-24)	RoSPA	£188.40
Nov. 23	163	248 (23-24)	T.Griffiths	£20.00

<b>Date</b>	<b>Payment Number</b>	<b>Minute Ref.</b>	<b>Payee</b>	<b>Amount</b>
Dec. 23	165	248 (23-24)	Woods farm	£228.00
Dec. 23	178	248 (23-24)	M.Small	£18.00
Jan. 24	180	261 (23-24)	Fairways	£526.50
Jan. 24	193	261 (23-24)	Village Landscapes	£280.00
Feb. 24	195	276 (23-24)	Clear Councils	£1043.02
Feb. 24	196	276 (23-24)	Orton Media	£268.00
Mar. 24	210	289 (23-24)	Fairways	£526.00
Mar. 24	225	289 (23-24)	Admin Expenses	£82.24

All payments were found to be matched to the individual bank statement, invoice, and minute reference.

All audit trails were satisfactory.

It was noted that monthly bank reconciliations were prepared and presented to the Parish Council for review.

### **Year End Accounts**

The year end accounts for the financial year 2023 -2024 were checked and were found to be arithmetically correct and in agreement with the financial records shown by the RFO. These accounts were properly reconciled to the bank statements.

It was noted that there is a monthly reconciliation to the bank account and this is shown to all Cllrs.

It was noted that all Cllrs. receive a monthly financial report together with copies of bank statements – this is good practice

Annual Governance and Accountability Return 2023-24 page 3 The Internal Audit Report of that document was completed and signed by the internal auditor.

It was noted that the Annual Governance and Annual Accounting Statements will be presented to the next meeting

### **Receipts and payments book**

This was checked and found to be arithmetically correct, and in accordance with the bank statements. It is recommended that entries to the cashbook are made in ink.

Given that all payments were made electronically it might be time for the Parish Council, the Clerk and the RFO to look at a financial package for the recording of all receipts and payments in order to record and store these more effectively.

### **Income Control**

It was noted that receipts were banked promptly, and the paying in book satisfactorily checked against the bank statements and cashbook.

All VAT repayments are made on an annual basis and will be made for the 2023-24 year as circumstances and time permit

### **Budget and Precept**

It was noted that the budget and precept for the financial year 2024-25 were discussed and agreement reached on the level of precept required – it is good practice to formally review the level of precept.

It was noted that whilst a monthly update of Parish Council budgets is prepared by the Clerk & RFO for Council information it was also noted that an individual Councillor verifies the bank reconciliation on a quarterly basis – it is good practice for the Council to check the bank reconciliation regularly.

It was noted in the risk assessment document that sound budgeting is to underlie all annual precept deliberations – this is a good system that the Parish Council formally adopted and is to be commended in this regard.

It was noted in the minutes of the May 2023 meeting item 16 that the Parish Council approved bank signatories for the Council accounts – good practice.

It was noted in the minutes of the May 2023 meeting item 17 that the Parish Council approved the Civility and Respect Pledge – the Parish Council is to be congratulated on this practice.

#### **Delegated powers**

It was noted that since the lockdowns due to the pandemic, powers regarding the payment of invoices have been delegated to the Clerk, it would be in the Council's interest to have these delegated powers added to Standing Orders.

#### **Petty Cash**

It was noted that there is not a petty cash element within Dickens Heath Parish Council accounts, and this fact will be reported separately to the external auditor Moore.

#### **Asset Register**

Dickens Heath Parish Council has an asset register which has been seen and the total sum of the assets matches the figure on the AGAR year end statement and the insurance document

#### **Minutes of the Parish Council meetings**

All minutes were checked, and found to be satisfactory, with no evidence of any unusual activity.

It was noted in minute of the meeting on 20 April 2023 item 188 that Standing Orders and delegation of Powers to the Clerk are all up to date.

It was noted in minute of the meeting on 20 April 2023 item 188 that requests have come from commercial activities asking for permission to use the village green. The Parish Council should consider whether such action is lawful and see Local Council Administration Sec. 26.10.

It was noted that some Cllrs. are concerned that the only forum for Council discussion is the Council meeting itself, and noted that there could be whatsapp group catch up meetings. The Parish Council should be aware that there could be an unknowing encouragement within this group for decision making on behalf of DHPC. The Council should be very aware that this could well lead to unlawful decisions by the Council or these groups, therefore it might be in the Councils interest to look at some working group arrangements to make recommendations to the full Council.

It was noted in some minutes that the public and press could be asked to leave the meeting due to the confidential nature of the business to be discussed. The Council should be aware that the exclusion of the public and press can only be done by a resolution to the meeting – see Local Council Administration para.7.6 and Public Bodies (Admissions to Meetings) Act 1960 and Local Government Act 1972 ss100 and 102.

#### **Agenda**

All agendas were checked and found to be correct, with no unusual activity.

#### **Insurance**

It was noted in minute 174 that the Council included the village green assets on the insurance – good practice.

It might be in the Parish Council's interest to look at a "key worker" element in the insurance cover to insure against extra staff costs should the Clerk and or RFO become indisposed for any length of time and DHPC have to employ a replacement for that time.

#### **Asset Register,**

This was checked and the value found to be in line with the insurance value of the assets, and in accordance with the value on Box 9 of the AGAR page 5.

#### **Payroll**

It was noted that an outside contractor provides this payroll service for Dickens Heath Parish Council, and that all income tax, NICs, and pension obligations are met.

### **Risk assessment**

Financial Risk assessment:-

It was noted that the document is a comprehensive list of risks facing the Parish Council and its assets and has a robust set of controls to mitigate against the effects of risk, nevertheless the Parish Council needs to constantly review this assessment.

Physical Risk Assessment:-

It was noted that the Parish Council has moved into the top floor of Dickens Heath Library, and it's unclear that a new set of physical risk assessments have been made, and who is responsible for assessing the risks. The Council will need to know who risk assesses the building (perhaps SMBC) and obtain a copy of the document.

Given that the building has public access where the council staff cannot see or identify who is in the building, the Council should look at providing its staff with a means of calling for assistance and locking the upstairs part of the building.

The Council needs to ask itself how the lone working directive will be met for staff on their own when the building is closed.

The Council needs to consider how its records will be kept safe when there is no staff upstairs and the building is open to the public.

Play Equipment

It was noted that an annual RoSPA inspection of play equipment is carried out and the resulting document placed on Parish Council website for inspection. – it is good practice to make this document public. It is noted that a contractor (Fairways) conducts a weekly inspection of play equipment, given that the play areas and equipment belong to the Parish Council a copy of all inspection reports must be held by the Council. It would be in the Council's interest to put these weekly inspections online together with the annual inspection.

In order to have a greater insight into the state of the play equipment a Cllr or committee could review the inspection reports on a regular basis (monthly/quarterly).

### **Sec.137 Payments**

It has been noted that the Parish Council does not have the General Power of Competence, therefore payments should be made under individual powers with Sec.137 applicable where no power exists.

### **Standing Orders**

The Standing Orders were seen online in the Parish Council website, and are dated April 2023, when the Parish Council next reviews this document it could consider setting out in these orders exactly what powers have been delegated to the Clerk and or RFO.

### **Financial Regulations**

These were seen online and it was noted that these are dated April 2023, it is good that the document has been formally reviewed and approved

### **Dickens Heath Parish Council policies**

All Council policies were seen on the Dickens Heath Parish Council website e.g. Disciplinary; Grievance; Complaints; Equality and Diversity; Petitions; Social Media; data protection; privacy; Parish Council Publications; Recording of meetings; Code of Conduct.

These and all other policies should be reviewed on a regular basis (not necessarily annually, could be every two years or so) and the review date printed on the policy front page.

### **Grants**

It was noted that a community chest grant application form is ready for use.

It was noted that the grant application policy document is undated, DHPC should ensure that the latest review document is available for those attempting to obtain grant from The Council.

### **Parish Council Website**

It was noted that the Dickens Heath Parish Council website is functioning properly and meets all accessibility requirements, this is a good website and is easy to navigate.

### **Conclusion**

Whilst undertaking the Internal Audit, it became apparent that the Clerk and RFO are carrying out their responsibilities in an exemplary fashion to the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are not criticisms, rather only for Dickens Heath Parish Council to consider whether they are appropriate for the Parish Council

It will be noted that in the Internal Audit Report 2023/24 of the AGAR Return 2023/24 Part 3 the internal auditor marked items F and K as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Dickens Heath Parish Council it means that there is no petty cash, neither did it declare itself as exempt from a limited assurance review in 2022-2023. A letter to the external auditor Moore to that effect has been added by the internal auditor

This concludes the Internal Audit.

Signed.....

Dated... 11th May 2024