

INTERNAL AUDIT REPORT

TO

**DICKENS HEATH
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2024 - 2025

Prepared by: Bill Robinson

Issued April 2025

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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.



Consultant

W.J.Robinson. BA(Hons) MA

74 George Street
Stockton
Southam
Warwickshire
CV47 8JT
Tel: 01926 814094
Mobile: 07958 176871
e-mail: wj.robinson@tiscali.co.uk

Dickens Heath Parish Council Internal Audit

This Internal Audit was undertaken on Tuesday 22nd April 2025 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 1st April 2024 to 31st March 2025

Date	Payment Number	Minute Ref.	Payee	Amount
Apr.24	1	301	Fairways	£600.90
Apr.24	2	301	Village landscapes	£490.00
Apr.24	13	301	HMRC	£344.35
Apr.24	17	301	WALC/NALC	£1084.80
May.24	19	20 - 1	DM Payroll	£222.00
May.24	23	20 - 1	HSBC	£8.00
May.24	31	20 - 1	LGPS	£615.10
Jun.24	38	35	Fairways	£600.90
Jun.24	41	35	M.Holloway	£40.00
Jun.24	53	35	NEST	£68.90
Jul.24	57	51	Burley's	£13,172.40
Jul.24	69	51	TT England	£13,172.40
Jul.24	72	51	Fairways	£600.90
Jul.24	83	51	HMRC	£388.95
Sep.24	88	66	Orton Media	£288.00
Sep.24	104	66	LGPS	£640.44
Oct.24	111	81	ICO	£40.00
Oct.24	113	81	RBL	£100.00
Oct.24	114	81	First Response	£75.00
Nov.24	128	97	RoSPA	£201.60
Nov.24	142	97	Dressing Up Box	£40.00
Nov.24	142	97	HMRC	£336.95

Date	Payment Number	Minute Ref.	Payee	Amount
Nov.24	146	97	Dressing Up Box	£40.00
Dec.24	149	97	Woods Farm	£156.00
Dec.24	150	97	Burley's	£5136.00
Jan.25	162	112	Fairways	Not agreed
Jan.25	163	112	Unity Trust Bank	£6.00
Feb.25	175	126	Krystal	£12.00
Feb.25	176	126	SLCC	£190.00
Mar.25	190	140	DH Village Hall	£144.00
Mar.25	203	140	Kompan	£1092.74

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 2024 -2025 were checked and were found to be arithmetically correct and in agreement with the financial records shown by the Clerk. These accounts were properly reconciled to the bank statements.

It was noted that there is a 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 2024-25 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.

Income Control

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

It was noted in minute 66 that there was a proposal and agreement to move DHPC's bank accounts to Unity Trust Bank.

It was noted in minute 81 that Cllrs were appointed as authorised bank signatories for Unity Trust Bank accounts – good to formally record this authorisation.

All VAT repayments are made on an annual basis and will be made for the 2024-25 year as circumstances and time permit

Internal Audit

It was noted in minute 120 that an internal auditor for the financial year 2024-25 was appointed

AGAR 2023-24 and 2024-25

It was noted in minute 21 item 1 that the Annual Governance Statement for the AGAR 2023-24 was signed
It was noted in minute 21 item 2 that the Annual Accounting Statement for the AGAR 2023-24 was signed.

This internal auditor signed the Internal Auditor Report of the AGAR 2024-25 page 4.

Budget and Precept

It was noted in minute 61 that the Finance and Risk Committee indicated that recommendations for budget approvals will need to be presented in the November 2024 meeting for consideration.

It was noted in minute 92 that a budget meeting is scheduled for the 5th December 2024 – good practice to formally note budget meetings.

It was noted in minute 92 that the Finance and Risk Committee agreed a budget proposal for the November meeting.

It was noted in minute 112 that the Finance and Risk Committee recommended a budget and precept for the financial year 2025-26, after discussion this was agreed – it is good practice to formally review and record the level of budget and 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.

Delegated powers

It was noted that some powers regarding the payment of invoices when the Council cannot/does not meet have been delegated to the Clerk, and powers have been properly delegated to Parish Council Committees with Terms of Reference for usage - it would be in the Council's interest to have these delegated powers added to Standing Orders.

General Power of Competence

It was noted that Dickens Heath Parish Council no longer has this power and therefore will on occasion have to utilise Sec.137 powers.

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.

Minutes of the Parish Council meetings

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

It should be remembered that where signed minutes have handwritten amendments these should also be initialled and dated by the Chair and the Clerk to ensure that the handwritten amendments are lawful (NB once minutes are signed it is unlawful to amend them).

Agenda

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

It would be in the Council's interest to consider whether an electronic signature of the Clerk on the agenda will make it a lawful summons to the meeting.

Where there are handwritten notes on the agenda the Council should consider whether these should be initialled and dated or removed from the final document.

Parish Council Meetings

It was noted in minute 11 that a schedule of DHPC and its working group meetings was agreed – it is good practice to let parishioners know when meetings are being held in good time – this is good practice

Parish Council Committees

It was noted in minute 12 that DHPC determined to continue with its current committee structure.

It was noted in minute 13 that representatives were appointed to outside bodies – good practice

It was noted in minute 107 that a new Chair of the Finance and Risk Committee was approved. – good practice to formally record the Chairs of committees.

Insurance

It was noted in minute 119 that the Parish Council agreement with Clear Councils Ltd. for Parish Council insurance renewal for one extra year– 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 or utilise another Clerk from an adjacent Council

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 is located on the top floor of Dickens Heath Library, and it is understood that SMBC will be the body responsible for the physical safety of Council staff.

Given that the building has public access where the council staff cannot see or identify who is in the building, the Council and SMBC should look at providing all 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 are 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 the Parish Council website for inspection. – it is good practice to make this document public.

It is noted that a contractor (Fairways) conducted a weekly inspection of play equipment, but now a new contractor is fulfilling that function, 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 no longer has the General Power of Competence, therefore payments must be made under individual powers, with Sec.137 applicable where no power exists.

It was noted that invoice number 41 was for a wreath, this payment should have been identified as a Sec.137 payment and recorded appropriately.

It was noted that invoice number 113 was for a donation to the RBL, this payment should have been identified as a Sec.137 payment and recorded appropriately.

Standing Orders

The Standing Orders were seen online on 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. It would be appropriate for DHPC to have a programme for review of all its policies – these need not be on an annual basis, can be as required.

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.

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 a grant from the Council.

Contracts

It was noted in minute page 2 item 298 that an individual Cllr will contact Fairways regarding its price increase, the Parish Council must be aware that an individual Cllr. cannot act on behalf of the Council, rather this could put the Cllr in an invidious position – it would be better to have an officer of the Council (the Clerk) deal with all potential problems regarding contract price levels.

It was noted in minute page 2 item 299 that an individual Cllr will help to review all contract and quotes regarding village green maintenance

Play Area

It was noted that RoSPA did a play area inspection in October 2024

It was noted that Countrywide does a weekly inspection of play areas from April 2025 and the Council should ensure that it receives a report of each weekly inspection for its records. The record of inspection document has been seen and it appears to be a good document

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... 22nd April 2025