

Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report 2025-26

Name of council:	Dickens Heath Parish Council		
Name of Internal Auditor:	Helen du Bois	Date of report:	3/5/26
Year ending:	31 March 2026	Date audit carried out:	27-30/4/26

To the Chairman of the Council,

The Accounts and Audit Regulations 2015 require Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes in accordance with proper practices¹. The findings of the internal audit should inform the Council's preparation of Section 1 - Annual Governance Statement 2025-26 from the AGAR.

Dickens Heath Parish Council has complied with the requirement to appoint an independent auditor by appointing me to undertake the work. I undertook a series of checks using the documents available on the Council's website and additional documentation and information provided to me by Helen Marczak (RFO) and Hannah Raithby (Clerk). My questions were answered by email and in person during a review meeting with Helen and Hannah held on 30th April 2026. I would like to thank them both for providing the requested documents in a timely manner and for their prompt and detailed assistance with my queries.

I have provided details below of my findings and recommendations for each of the Internal Control Objectives listed on the Annual Internal Audit Report 2025-26:

A. Appropriate accounting records have been properly kept throughout the year: Y

The roll forward of the prior year cashbook balance to the new financial year was correct. All receipts and payments were recorded correctly in the Cashbook 2025-6.xls
A sample of financial transactions were checked and verified.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for: Y

The Council approved Financial Regulations on 13.5.25.
VAT paid is recorded in the Cashbook. A VAT126 claim was submitted during the year, a payment of £5000.24 from HMRC was received on 30.6.25.
All invoices for payment are recorded in the Cashbook.
Details of the invoices to be approved for payment in a meeting are listed on the Agenda.

The Council's Financial Regulations are not based on the latest version.

Councillors do not view the invoices prior to approving payments.

The legal powers used for payments are not recorded either in the minutes or the cashbook.

RECOMMENDATIONS:

- *Both the model Financial Regulations and model Standing Orders have been updated to reflect the Procurement Act 2023; the Council should adopt the March 2025 versions at their next meeting (available on the NALC website).*

¹ The proper practices are set out in the Practitioner's Guide 2025 - *Governance and Accountability for Smaller Authorities in England*, a guide to the accounting practices to be followed by local councils which sets out the appropriate standard of financial reporting to be followed.

- *The invoices for payment should be brought to Council meetings for inspection by the Councillor who signs the payment schedule, see Financial Regulations sections 6.9, 7.4 & 7.6 for more details.*
- *The legal power being used for each transaction should be reported at the meeting when the transaction is approved, and recorded in the minutes, see Financial Regulations section 5.2 for more details.*

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these: Y

The Risk Assessment and Management Document was approved by the Council on 13.5.25. The Council's insurance cover was renewed on 10.2.26 with appropriate levels of cover for the Council's fixed assets and for Employer's Liability and Public Liability. The Annual Safety Inspection of the play area was carried out in September 2025. A 3rd party carries out weekly safety checks on the Council's physical assets.

There is little evidence in the minutes of internal control checks being carried out.

RECOMMENDATIONS:

- *The minutes should record that Councillors reviewed the play area Safety Inspection Report.*
- *It is good practise for the minutes to record that the Council considered whether the current level of insurance cover is still adequate for the Council's assets when approving the annual payment.*
- *It is recommended that an Internal Controls Policy be adopted by the Council and that an Internal Controls Councillor (ICC) be appointed. The ICC should scrutinise the accounts on a regular basis (at least quarterly) and provide a brief report to the Council after the checks are carried out; this report to Council should be minuted.*

D. The Precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate: Y

The 2025/26 Budget and Precept was approved by the full Council on 14.1.25; the approved Precept value of £94,884 was recorded in the minutes.

The 2025/26 Precept received during the year matches the amount requested from Solihull Metropolitan Borough Council.

The Clerk confirmed that Budget vs Expenditure was monitored as part of a Finance Report given to Councillors at each meeting.

Funds are held as both general and earmarked reserves; the Council has an appropriate amount of reserves.

RECOMMENDATIONS:

- *The value of the approved Budget should be recorded in the minutes. I would also recommend that more detailed information is provided in the minutes to explain how the Precept was calculated.*
- *It would be good practise to include the monthly Finance Report in the minutes or published on the website; this would aid the Council's financial transparency.*

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for: Y

All income was recorded correctly, and VAT was appropriately accounted for.

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for: N/A

The Council does not use petty cash.

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied: Y

The Council's employee has a formal Employment Contract.

The Council is registered as an employer with HMRC, payroll is managed by a 3rd party.

The Clerk received the relevant 2025/26 NJC pay increase.

The Council has submitted a declaration of compliance to the Pensions Regulator.

H. Asset and investments registers were complete and accurate and properly maintained: Y

The Asset Register is up to date and properly maintained.

The Council's insurance schedule provides adequate cover for the Council's assets.

The value given in Box 9 on Section 2 - Accounting Statements 2025/26 matches the value of total assets on the Asset Register.

RECOMMENDATION:

- *Councillors should review and approve the Asset Register annually, preferably towards the end of the financial year, prior to the annual audit.*

I. Periodic bank account reconciliations were properly carried out during the year: Y

The Clerk confirmed that bank reconciliations are reviewed as part of a Finance Report given to Councillors at each meeting.

The year-end Bank Reconciliation for 2025/26 accurately reconciles the Council's bank accounts, there were no unrepresented payments.

There is no record in the minutes that the year-end Bank Reconciliation for 2024/25 was reviewed and approved by the Council.

RECOMMENDATIONS:

- *It would be good practise for the minutes to record that the year-end Bank Reconciliation published for the AGAR was approved by Councillors at the same time as Sections 1 and 2 of the AGAR.*

J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded: Y

The Accounts were prepared on a 'receipts and payments' basis which is correct.

The cash book reconciles with the bank statements and invoices are kept.

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt: Y

The Parish Council was not exempt from an external audit in 2024-25 as receipts and payments both exceeded £25,000.

L. The authority publishes information on a website/web page, up to date at the time of the internal audit in accordance with the relevant legislation: Y

The Council publishes all required information on a website in accordance with the relevant legislation.

M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations: Y

The Notice of the Period for the Exercise of Public Rights published on the website correctly identified a 30-working day period and the published date of announcement was more than 1 day before the commencement date.

The dates of the Period for the Exercise of Public Rights in relation to the 2024/25 AGAR were not published in the minutes.

RECOMMENDATIONS:

- *It is recommended that Council's record the agreed dates for the Period for the Exercise of Public Rights in the minutes when the AGAR documents are approved.*

N. The authority has complied with the publication requirements for the 2024/25 AGAR: Y

The Council met the publication requirements in relation to the prior year's AGAR.

O. The authority complied with laws, regulations & proper practises relating to digital and data compliance: Y

The Council's website is hosted on an .org.uk domain and the Councils email addresses are hosted on a .gov.uk domain.

The Council has implemented the following documents: IT Policy, Data Protection Policy, Privacy Notice, Publication Scheme and Website Accessibility Statement.

The Council has not approved a Data Audit

The accessibility of the Council's website has not been tested recently.

RECOMMENDATIONS:

- *A Data Audit should be carried out and approved by the Council as soon as possible.*
- *The website's accessibility should be tested at least annually; the date of testing and the results should be minuted.*
- *I would recommend that the IT Policy, Data Protection Policy, Privacy Notice, Publication Scheme, Data Audit and Website Accessibility Statement are reviewed by the Council annually to ensure they remain up to date.*

P. Trust funds (including charitable) – the Council met its responsibilities as a trustee: N/A

Not Applicable.

I recommend that the Council also considers the following actions to maintain good governance:

- *The Council should run a rolling schedule for the review of its policies to ensure they are all up to date.*
- *It is good practice for Councillors to approve the Code of Conduct every year; this is usually done at the Annual meeting, alongside the Financial Regulations and Standing Orders.*
- *I would support the previous Internal Auditor's comments regarding the need for a Lone Working Policy.*
- *It is good practise for the item numbers on the Agenda to be the same as the corresponding item in the Minutes, and for the Minutes to have sequential page numbers.*

It is my opinion that the records and procedures in place for the Council provide a good standard of control. This report should be taken to the next meeting of the Council to inform Councillors of the findings and recommendations of the Internal Audit.

Yours sincerely,

Helen du Bois, CiLCA
Internal Auditor to the Council
h.dubois@btinternet.com

The figures submitted to me for Section 2 – Accounting Statements in the Annual Governance and Accountability Return were:

	Year ending 31 March 2025	Year ending 31 March 2025
1. Balances brought forward	Restated 65,443	73,372
2. Annual precept	94,290	94,884
3. Total other receipts	6,234	44,400
4. Staff costs	51,134	55,397
5. Loan interest/capital repayments	0	0
6. Total other payments	41,461	51,488
7. Balances carried forward	Restated 73,372	105,771
8. Total cash and investments	Restated 73,372	105,771
9. Total fixed assets and long-term assets	133,417	135,274
10. Total borrowings	0	0

END