

LANGLEY WITH HARDLEY PARISH COUNCIL

Internal Audit Report 2024-25

Prepared by Sarah Hunt



Proper Bookkeeping	Is the cash book maintained and up to date	Yes
	Is the cashbook correct arithmetically	Yes
	Is the cashbook regularly balanced	Not evidenced within the minutes – bank reconciliations should be regularly received by Council, and balances recorded in the minutes.
Standing orders/financial regulations/payment controls	Has the council formally adopted standing orders and financial regulations.	Standing Orders – August 2022 provided, last year January 2023 provided – not downloadable from the website. These are out of date - this was identified in the 2023/24 Internal Audit. Financial Regulations – January 2023. These are out of date – this was identified in the 2023/24 Audit.
	Has an RFO been appointed with specific duties	During this financial year it is apparent from the minutes that two clerks have been employed, neither appointed as Clerk or RFO formally within the minutes. It is a legal requirement for the Council to appoint a responsible financial officer and record this.
	Have items or services above the de minimum amount been competitively purchased	There is limited record of quotations being sought and received. I recommend that Council minutes how many quotations are received, who the contract/order is awarded to and the value of the contract.
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted	All invoices uploaded to scribe.
	Has VAT on payments been identified, recorded and claimed	VAT identified in cash book. VAT Claim for 2024/25 made. It appears the claim for 2021/22 value £142.86 identified in the last Internal Audit remains unclaimed.
	Is S137 expenditure separately recorded and within statutory limits	No. There is a column within the cash book however the poppy wreaths are accounted for under 'Poppy' rather than S137.

		I would recommend that the number of the electorate, and the annual S137 limits be advised to Council annually and minuted.
	Have S137 payments been approved and recorded within the minutes as such	No. The payment for the poppy wreaths is not recorded within the minutes as a section 137 payment.
Risk Management arrangements	Does a review of the minutes identify any unusual activity	No.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme	Financial Risk Assessment – Not provided or available on the website. General Risk Assessment – not provided or available on the website.
	Has the council considered a general reserves policy	No. This is a legal requirement.
	Is insurance cover adequate and appropriate	Council may wish to look at the asset register and add replacement costs to assess any overinsurance.
	Are internal financial controls documented	No. No internal control document has been adopted. No record of internal control inspections being undertaken.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved	No.
	Has the precept been calculated from the budget and approved	No Budget agreement minuted – no precept figures minuted.
	Does the budget include an actual completed year	No budget provided
	Is actual expenditure against budget regularly reported to council	No.
	Are there any significant unexplained budget variances	Variance form not provided.

Income Controls	Is income properly recorded and promptly banked	Yes.
	Does the precept recorded agree to the Council Tax authorities notification	No precept recorded.
	Are security controls over cash and near cash adequate and effective	N/A
Petty Cash	Is all petty cash invoiced/receipts. Reported to Council. Reimbursed regularly	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions	N Wilson, most recent clerk provided with a contract. No contract seen for interim clerks during the year.
	Do salaries paid agree with those approved by the council	No. Council did not agree salary – and payments do not agree with contract. I am unable to check previous clerks as I was provided with no payslips or contracts.
	Are salaries above the National Living Wage/Minimum Wage	Yes
	Are other payments to employees reasonable and approved by council	Yes. I would advise councillors that a payment for up to £26.00/month (£6.00/week) can be paid tax free to the Clerk to support their holding the Council office in their home.
	Have PAYE/NIC been properly employed by the Council as an employer	Without sight of previous clerks' payslips and contracts I am unable to check the revenue payments. I would recommend the Clerk also log onto the Government Gateway portal and check every quarter that payments are being applied correctly by the Inland Revenue.
	Is re-enrolment up to date (Pension)	The Clerk will want to satisfy themselves of the next date of declaration. No evidence was provided.
	Are pension payments correctly accounted for	N/A. No pension operated by Council.

Asset Controls	Does the council maintain a register of all material assets owned or in its care. Land register?	The up to date asset register is not on the website. There is a register included within the cashbook.
	Are the assets and investment registers up to date? When were they last reviewed?	No. The disposal of a printer was recorded within the minutes. The asset register has not been updated to reflect this.
	Do insurance valuations agree with those in the asset register	Insurance values are considerably higher than the register.
	Are all disposals minuted	Minuted, but not reflected in the register.
Bank Reconciliation	Is there a bank reconciliation for each account and is this reported to Council	No. End of year bank reconciliation available.
	Is a bank reconciliation carried out regularly and in a timely fashion	No. These should be regularly undertaken and reported to council.
	Are there any unexplained balancing entries in the reconciliation	No.
Year End Procedures	Are year end accounts R & P or I & E	R & P
	Do accounts agree with the cashbook	YES
	Has a year end bank reconciliation been undertaken	YES
	Is there an audit trail from underlying financial records to the accounts	Uploaded to scribe.
	Where appropriate have debtors and creditor been properly recorded	N/A
Procedural	Is eligibility for the Power of Competence properly evidenced.	GPOC not adopted.

	Have points on the last internal audit been considered by the council and actioned.	No. See list at end of report and comments regarding items that remain outstanding.
Transparency – smaller councils only	Minutes for whole year on website	Noted that they are on website. Some draft copies remain and need replacing.
	Agendas for whole year on website	Noted that they are on website. Supporting papers are not uploaded.
	Payments over £100 detailed on website	Within minutes.
	Electors rights advertised on website	YES
	Councillors responsibilities advertised on website	No.
Burial Authorities only	Are fees levied in accordance with the councils approved scale of fees and charges	N/A
	Have fees for the cemetery been reviewed and agreed by Council	
	Were comparisons made with other cemeteries prior to setting the fees	
	Have burial books been kept up to date and are they stored safely	
Councils with charities only	Have charities reported and accounted separately	No. The closure of a charity was discussed within the Parish Council meetings. No charity business should be discussed by the Parish Council within Parish Council meetings. It is not apparent whether this was as Trustee from the minutes.
	Have the charity accounts been independently audited	N/A
	Have the charity accounts and annual return been filed within the legal time limit	N/A

Thank you very much for providing all the documentation requested.

My supplementary comments to explain any 'No' on the Internal Audit form are at the end of this document.

I have checked through the year 2024-25 and I would mention the following:

There is no downloadable Model publication scheme on the website. The publication of the scheme itself is a legal requirement.

Council should consider taking two references for the clerk, or checking to satisfy itself that it still holds indemnity insurance as two references should be held, not provided by the clerk, to satisfy most insurance companies.

The Council does not have a Biodiversity policy.

Council should ensure that all payments are correctly agreed within the meeting and documented as such. I would note for Council that contractual payments do not need authorising by council, ie salary payments.

During the year Council minutes record the setting up of a committee to undertake work on providing an Internal Controls document (not adopted) and also Working Parties for the VE/VJ Day event and to look at bullying. If a Committee or Working Party is formed there must be Terms of Reference agreed, along with membership. No decisions can be delegated to a Working Party – all decisions must be brought back to Council. Committees can only made decisions on matters delegated formally through Terms of Reference.

The annual play ground inspection was not minuted as coming before Council to identify necessary works/repairs. I would recommend this happens and work is then monitored and recorded as completed. There should be regular interim inspections by a competent person as identified in the Parish Council risk assessment. These should be reported to council and recorded as such.

The Village Sign is mentioned within the minutes and does not appear on the asset register.

For accessibility all documents on the website should be uploaded as pdfs.

Any reports referred to within the minutes should be included with the minutes or replicated within the minutes.

Regarding items not actioned from 2023-24:

Budget against expenditure and bank reconciliations must be taken to council and minuted as defined in the Financial Regulations. Still not being presented to Council.

There is no link to the model publication scheme on the website – this is a compulsory document. Still not on website. The Standing Orders and Financial Regulations were last reviewed in January 2023 – these should be reviewed

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annually, and are out of date. The figure for procurement and the need for Contracts Finder has been increased from £25,000 to £30,000 this should be reflected on both documents. These remain out of date.

I would suggest that the clerk's salary is calculated monthly – hourly rate x hours/week x 52. This will ensure that it is easily auditable, the clerk receives the same sum monthly and the processed amount does not need to be altered monthly. This is a contractual payment. It appears that the salaried clerk is still not receiving a salaried payment.

No internal controls policy or statement has been adopted, the website copy is dated 2019 – this was recommended by last internal audit. This remains outstanding.

I would recommend that Council replies 'No' to the following on the governance statement:

I would suggest the following:

That Council tick 'No' to box 2 - there is not an up to date Internal Controls Policy or General or Financial Risk Assessment.

That Council tick 'No' to box 5 – See Box 2.

That Council tick 'No' to box 6 – there is no record of Council receiving and recording bank reconciliations or budgetary updates.

That Council tick 'No' to box 7 - it has not complied with all the recommendations from last years audit, there is no updated Internal Controls Policy or statement, and the VAT return from 21/22 value £142.02 has not been received. The Standing Orders and Financial Regulations have not been updated. The model publication scheme is not available on the website.

Finally there are changes to the audit process for 2025/26 and the Council may wish to begin considering these, the documents are online, but I would draw your attention to the following:

Assertion 10 - Digital and data compliance To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.

SUPPLEMENTAL COMMENTS TO INTERNAL AUDIT FORM LANGLEY WITH HARDLEY PARISH COUNCIL

I have ticked 'No' on the Internal Audit form for the following reasons:

Box C – There was no record of any risk assessment being undertaken during the year.

Box D – There was no record of the budget provided to Councillors, nor of the precept being decided within a Council meeting.

Box I – Bank reconciliations had not been minuted as provided to Councillors during the year.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies a parish council as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.