

For the Attention of Dowsby Parish Council,

## Internal Audit Report Year Ended 31 March 2021

I have reviewed the accounting and internal control systems for the Parish Council and can confirm that the accounts are maintained in a clean and tidy fashion and a logical order. To complete the Internal Audit, I have cross referenced all receipts, invoices, cheque books and bank statements, and concur with the figures presented in the Accounts and stated in Section 2 of the Annual Governance & Accountability Return 2020/21 Part 2 (AGAR). All of the relevant documents were provided by your RFO on request and without hesitation. However, with regards to the Annual Internal Audit Report Section of the AGAR (page 4), I am unable to respond positively to all of the stated objectives because, at the time of the Internal Audit, the Council's website did not include the publication of all of the mandatory legislation required of a Smaller Authority with an annual turnover not exceeding £25,000, which came into force on 1 April 2015. This includes:

- the publication of the Draft Minutes of a Formal Meeting within one month of the Meeting; the Draft Minutes from the Council Meeting on 12 February had not been published as of 9 May.
- the publication of the required financial documents by 1 July of the following financial year; for example, the Annual Governance Statement and Annual Audit Report for FY2019/20 had not been published as of 9 May 2021.

I am aware that Lincolnshire County Council, who hosts the Dowsby Parish Council website, switched off the original Parish websites in December 2020 and changed all users to a new website, which could account for the lack of the financial and historical information. To ensure compliance with the relevant legislation, the new website should be updated with the required information. It should also be noted that The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018, also requires information from 23 September 2018 onwards to be published in an accessible format.

I must also draw your attention to the following items on the presented AGAR:

- The Council's email and website required on the Certificate of Exemption (page 3) is not included.
- Your RFO has confirmed that the Council does not hold any Trust Funds. I have annotated Statement O on page 4 accordingly but, if this is correct, Section 1 Accounting Statement 9. (on page 5), should also reflect this.
- A positive "Yes" response to Accounting Statement 3. has been stated, which means that the Authority "*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*" In my opinion, this is incorrect. The Council Meeting held on 23 July 2020 only had two councillors present. This means that the Meeting was not quorate and therefore the resolutions made are not compliant with the Council's legal powers and Proper Practices. The Council should seek appropriate advice on this matter as soon as possible.
- Box 7 of the Section 2 Accounting Statements (Balance of Carried forward), is more than twice Box 2 (Precept) therefore the AGAR requires further explanation to justify the 'high' reserves. Only £300 to support the Village Hall has been accounted for.

In addition, I have the following observations, which do not affect my opinion:

- The Parish Council operates with limited funds therefore the reclaimable VAT should be reclaimed; at least annually if less than £100. In accordance with VAT Notice 749,

Local authorities can reclaim the VAT attributable to non-business and exempt activities, but this must be within 4 years of the expense being incurred. The reclaimable VAT from the 2018/19, 2019/20 and 2020/21 financial years, which equates to £138.69, should be reclaimed from HMRC as soon as possible.

- Although the End of year accounts for the 2018/19 and 2019/20 financial years are published on the new website, the links only appear on the Council homepage so the documents are not accessible from the Council Business page.

I have completed the AGAR Internal Audit Report (page 4 of the AGAR) in accordance with my comments above, and returned the signed copy to the RFO.  
Please do not hesitate to contact the undersigned if you wish to discuss any of the points raised.

Yours sincerely,

Name on application.