

Dowsby Parish Council

20 May 2022

For the Attention of Dowsby Parish Council Chairman and all Elected Members,

**Annual Internal Audit Report for year ended 31 March 2022**

In accordance with my letter of appointment, dated 13 May, I have conducted a selective assessment of Dowsby Parish Council's accounting records, practices and internal control systems as required of an annual internal audit. This included cross-referencing all financial transactions, as well as the review of a selection of Council Resolutions, practices and internal controls against the relevant legislation.

All of the requested documents were provided promptly by your Clerk/RFO and without hesitation and I can confirm that, on behalf of the Council, the RFO maintains clear and organised financial records and, based in the information provided, the Council is eligible to certify itself as exempt from a limited assurance review. However, there are some internal control aspects that need addressing:

- • Without written Standing Orders and Financial Regulations, it is difficult for Council Members and the Clerk/RFO to all follow the same practices and understand their individual roles and responsibilities, which could result in the Council acting outside of its powers.
- • The Minuted resolution regarding the donation to the Village Hall (Min Ref: 967.6 May 2021), states some uncertainty regarding the legitimacy of the donation. A £1,000 cheque for the donation is approved at the next Meeting (Min Ref: 978.1) but there is no Minuted statement to confirm that the Council had the authority to make such as donation.
- • As an employee, the Clerk should have a written contract of employment/statement of particulars, stating essential information such as pay rates, disciplinary and grievance policies, and training entitlements, in accordance with the Employment Rights Act 1996. Without this, I was unable to confirm that the Council is meeting its responsibilities under the National Minimum Wage (NMW) Act 1998. Based on the annual salary and expected hours of work, it is unlikely that it does meet the NMW.
- • The Web Content Accessibility Guidelines (known as WCAG 2.1), requires Councils to achieve a minimum standard as part of meeting government accessibility requirements. This includes publishing all information from September 2018 onwards in an accessible webpage format; PDF documents can still be published but should not be the only format available.

I must also draw your attention to the following items on the presented Annual Governance & Accountability Return (AGAR) and the supporting documents:

- I concur with the figures presented in the Accounts, but there were some rounding errors when transposed into the AGAR and supporting documents. Pence amounts of £0.50 or higher should be rounded up; a common mistake in manual accounting so should be checked carefully by the Council when approving rounded figures.
- The explanation of the variance between the 'All Other Payments' at Box 6, requires more detail and the supporting figures to justify the variance.
- Section 1, Accounting Statement 5. Is annotated 'Yes', which means that the Authority "*considered and documented the financial and other risks it faces and dealt with them properly*". There is no Minuted record, or Agenda item, to state that the risks faced by the Council have been considered or reviewed; I have annotated 'No' for Internal control objective C of the Annual Internal Audit Report.
- Internal control objective N. has been annotated 'No' as the Internal Audit Report for the 2020/21 AGAR was still not published as of 17 May 2022; please ensure that my address and signature are redacted prior to publication.
- The proposed dates for the exercise of public rights are stated as 13-22 June. These must cover a minimum of 30 working days.

Although the Clerk/RFO has many responsibilities, it is ultimately the Council, as the corporate body (i.e., the collective of its Members), who is ultimately responsible. The Clerk/RFO can support and guide you in achieving this but the Council needs to satisfy itself that everything being done in its name is in accordance with its Powers and legislation.

The role of a Clerk and RFO, and the responsibilities of Local Councils, have changed considerably over the last decade. Using the provisions and services of your LALC Membership and having key written policies, should make it much easier for everyone (Electors, Councillors and Clerk/RFO), to understand what needs to be done and how, and also provide the evidence to demonstrate this.

I have completed the Annual Internal Audit Report (on 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 me if you wish to discuss any of the points raised.

Yours Sincerely,

Name on application