



Dowsby Parish Council
c/o Cllr. Christopher Chambers (Chairman),
16 Fen Road
Dowsby
Bourne
Lincolnshire
PE10 0TS

15 May 2026

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

Annual Internal Audit Report for year ended 31 March 2026

In accordance with my letter of appointment, dated 5 May, I have conducted a selective assessment of Dowsby Parish Council's accounting records, practices and internal control systems as required Annual Governance & Accountability Return (AGAR) Annual Internal Audit Report objectives for 2025/26, and the associated legislation

My assessment has been carried out in line with the 2025 edition of the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide. The proper practices set out in the first two sections of the guide must be applied by smaller authorities in the financial year ending 31 March 2026 and for the associated AGAR.

Findings

There are still some key areas of the proper accounting and governance practices ('proper practices'), referred to in statute, that have not been implemented, actioned or reviewed by the Council and RFO during the 2025/26 financial year.

Therefore, once again, I have been unable to respond positively to all of the AGAR internal control objectives. These are:

- Objective A. The Clerk/RFO provided organised financial records but, based on the sample of financial transactions selected, the issues stated below were identified so, I've responded 'No' to this objective:

There are 'invoices' from the Clerk to 'claim' their net salary on a quarterly basis. This is not an appropriate accounting record. The Clerk/RFO is an employee and should be issued with a payslip, that clearly details the amount of gross pay and any deductions made, which can be included in the records to evidence the quarterly transactions. In addition, these invoices relate to a different 3-month period to what is annotated on the cheque, and the corresponding payment to HMRC; this was the same for all salary payments.

Although the payments (payee and amount), are stated in the Minutes, there is still no record confirming that they are actually being approved/authorised by the Council before being paid; the Minutes continue to only state 'Bills for approval' under the 'Finance' header (e.g., 1165.1 at Feb 2026), which is the case for every meeting.

The cheque stubs are consistently initialled by two Council Members but, there is a lack of information on the stub for what the payment is for (e.g., Chq 100425 only states the name of the payee). Alarming, Chq 100427 is only annotated with 'D' and may mean that the Council signed the actual cheque with a similar lack of payee information. In addition, the corresponding invoice to Chq 100427 is addressed to

Dowsby Village Hall, and is for £3,690. A payment of £1,000 was made following the May 2025 Council meeting, but nothing was stated on the agenda that this was to be considered for approval.

In addition, Minute 1143.2 actually states that “*Cllr Ridgway presented an invoice for ... work in the village hall ... and requested a contribution from the Parish Council.*”. Given that Cllr Ridgway is a trustee of the Village Hall, I would have expected to see a ‘declaration of interest’ in this agenda item at Minute 1139 (assumed Ref as omitted from website version). The decision to donate £1,000 was a ‘unanimous agreement’, meaning that Cllr Ridgway was one of the 3 voting councillors; since the Village Hall made a profit of over £12,800 in the year ending 31 May 2025, they were in no rush for the funds, and the decision to donate almost 50% of the Precept should have been open and carefully considered.

There is no explanation for the payment to Dunsby Village Hall in the Minutes, on the invoice or the corresponding cheque stub (100440). In addition, the invoice is addressed to ‘Dowsby Village Hall’ not the Parish Council.

There is no Agenda item relating to the grant/donation made to the Scout group being discussed at the Feb 2026 meeting, only an entry (at 1164.6), under ‘Clerk’s report on matters outstanding’ yet a donation of £300 was ‘unanimously agreed’, and added to finances for approval. Consideration of such decisions should be clearly stated on the Agenda to enable all Members to understand, in advance, the matters to be resolved at the meeting, and to give the electorate the opportunity to make comment on the proposal (especially when over 13% of the Precept has been used to benefit just 2 young people); listing an email requesting a donation at number 27 of 98 items under ‘correspondence received’ from Sept to Nov 2025 is not sufficient.

- **Objective B.** As stated in Section 1 Practitioners’ Guide at para 1.14: “*The authority needs to have in place standing orders and financial regulations governing how it operates.*” Despite being raised at every internal audit I have conducted, these key documents are still not in place so, I have once again responded ‘No’ to this objective.

Standing Orders and Financial Regulations are key documents outlining the procedures for effective financial management, internal control and risk management. They also provide evidence, and reassurance, to the electorate that the Council is operating in accordance with the relevant legislation, and that it is effectively safeguarding the public money and resources in its charge.

- **Objective C.** Once again, I could find no evidence in the Minutes, Agendas, or on the website, that the Council has carried out an assessment or review of any risks, significant or otherwise, to it achieving its objectives during the financial year, as required by the Accounts and Audit Regulations 2015. There is still no written risk register detailing the regular and ad hoc risks that the Council has previously considered, nor the measures that it has put in place to manage these, and no record of any discussion regarding whether the level of insurance cover was sufficient prior to paying the renewal premium. As such, this objective has again been annotated ‘No’.
- **Objective D.** I could find no evidence in the records or minutes, that the progress against the 2025/26 budget was regularly monitored.
- **Objectives E.** I have been informed that the Council does not hold petty cash nor operate a cash float so this objective has again been annotated ‘Not covered’.
- **Objective G.** There is still no contract of employment/statement of particulars in place for the Clerk/RFO. I have noted that the Minutes in September (at 1113.1), November (at 1120.1), and February (at 1131.1), all state that one has been prepared by the Council but, at the time of audit, it has still not been signed off and put in place.

I also highlighted in the previous internal audit, that the budgeted Clerk/RFO salary for 2025/26 was the same as 2024/25, so unlikely to reflect the increase in the legal minimum. The Clerk/RFO was paid at the 2024/25 rate throughout 2025/26, despite May 2025 Minutes (at 1143.1), stating that “... it was agreed that the clerks pay would have to be increased in line with the minimum wage ...” and “... a contract of employment and job description would have to be signed. This would be from the start of this financial year (2025/6) and so back dated at the next meeting...”. There is no evidence in the Minutes, records provided nor the finances, that any of this has been carried out; as with the findings under Objective A, there was no corresponding Agenda item to state that an increase in pay would be decided at the May 2025 meeting.

Without a contract, or any other written confirmation of the employment hours or rate paid, I am unable to determine if the salary, tax and National Insurance payments are correct, and meet the legal minimum so, I have once more put ‘No’ to this objective.

- Objective I. There is still no evidence in the Minutes, on the bank statements, or on the invoices, to show that these, nor the relevant bank reconciliations, were independently scrutinised and signed-off by the Council, Chair, or any delegated Member(s). Although the account balances are stated in the Minutes, there is also no evidence that any periodic reconciliations are being carried out by the RFO.

Account reconciliations are important, and legislative, aspects of ‘effective internal control and risk management’ that are still missing from the Council’s procedures therefore, I have again responded ‘No’.

- Objective J. The expenditure (payment) totals on the Summary of accounts (£3027.50), and drafted AGAR figures, were different to the cashbook total (£3077.90), and no attempt appeared to have been made to identify the cause and reconcile the difference; this was due to the inclusion of Chq 100429 (replaced by 100430 and still in the cheque book), being included in the cashbook figure. The Bank Reconciliation states that the expenditure for the ‘YTD’ is £3,077.90 but, not all of it relates to 2025/26, £50.40 was an uncleared cheque at the end of 2024/25
- Objective L. As with Objectives N and O below, although the vast majority of required documents have been published on the Council website (e.g., Minutes and Agendas), there are some that are not available, including Freedom of Information contact information, IT Policy, Privacy Notice, and explanations for ‘No’ responses to Annual Governance Statements and Internal Audit for earlier years, and how these weaknesses will be addressed.
- Objective N. This objective relates specifically to the 2024/25 AGAR. As with the previous year, the Council has met most of the publication requirements. However, there are no explanations relating to the Council’s ‘No’ responses to Section 1 – Annual Governance Statements 5, 6 and 7. I have again annotated ‘No’ to this objective.
- Objective O. This is a new objective to specifically confirm that the authority has complied with laws, regulations & proper practices relating to digital and data compliance.

The Council appears to have no policies in place, including IT and Data Protection policies, nor any dedicated email addresses on an authority owned domain, and I could find no evidence of any data audit or test of the website accessibility being carried out; the accessibility statement does not appear to have been reviewed since it was implemented in 2020. In addition, I could find no record of the Council being registered with the ICO. This is a requirement for any organisation processing personal information.

Section 1 para 49 of the Practitioners' Guide, states that all websites must meet the Web Content Accessibility Guidelines (WCAG) version 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018; the website states that it is only partially compliant with version 2.1 AA of the WCAG.

Based on these findings, I have annotated 'No' to this objective.

- Objective P. Trust Funds. I have been previously informed that the Council is not a trustee of any Trust Fund, and none of the available information contradicts this. Therefore, I have marked this objective as 'Not applicable'.

Comments and opinions

With regards to the other AGAR sections, supporting documents and records available to me, I have the following additional comments and opinions:

- Certificate of Exemption. Based on the records provided, both the total annual gross income and expenditure for 2025/26 are below the £25,000 threshold. Therefore, I can confirm that Dowsby Parish Council is eligible to certify itself exempt from a limited assurance review.
- Explanation of variances. The figures for Lines 6 (All Other Payments), for both 2024/25 and 2025/26, have inadvertently been entered into the respective Lines 7 (Balances Carried Forward).

The exact figure for Line 6 is £2,019.50, which would actually round up to £2,020. However, this would result in an 'incorrect' Line 7 figure of £3,742, which is then carried forward to Line 1 of 2026/27. Given that rounding errors of up to £2 are tolerable, it is acceptable to using a rounded down Line 6 figure of £2,019 on Section 2 – Accounting Statements, and the variances, results in a Line 7 figure of £3,743, which equates to bank reconciliation figure of £3,743.33.

- Section 2 – Accounting Statements. Currently, Line 11, is incomplete. This line is for Local Councils only, so the Council and RFO should ensure that this is completed before being signed off.
- S.137 Expenditure. There is still no separate account of expenditure incurred under Section 137(4) (a) of the Local Government Act 1972 (S.137). This statutory power enables a parish council to incur a limited amount of expenditure for purposes where no other specific statutory power exists, and where the expenditure will bring community benefit. With nothing listed under S.137 in the accounts, or detailed in the Minutes, I am unable to confirm if it was appropriate, or exceeded the maximum limit.
- Bank Reconciliations. To avoid rounding errors, and especially given the low amounts involved, the figures stated in the bank reconciliations should be written to 2 decimal places; whichever method is used, it must also be consistent across related documents.
- Asset Register. I am satisfied that the provided Asset Register accurately reflects the balance brought forward and the data of the included items is complete, hence my positive response to Objective H. However, the Council should check if the village play equipment are Council assets that need to be included.
- Website. In addition to the points raised elsewhere in the report, there are number of areas of the website that need to be updated. Such as, the vacancy notice relating to the resignation of Cllr Rowsell from May 2025, the 'New Cllrs Welcome' is the 2023 Election Result, there is no Church news on the designated page, and the village hall information has not been updated since 2020.

Although the DPIs for each of the serving councillors are published on the SKDC website, it would be beneficial to have a link from the Council's own website to make it easier for people to find.

- Matters of Urgent Nature. This seems to be a standing agenda item, but is a heading that shouldn't be used as an "Any Other Business" excuse for anything forgotten to include on the agenda, or as a way to avoid having to write an agenda for each meeting. Genuine matters of urgent nature should be very few and far between. One example of how this agenda item has been used inappropriately, is Minute 1168.3 (Feb 2026), that "... it would be nice to have another two [planters] on main road.", and an action placed on Cllr Chambers.
- Reused paper for printing. Although a positive in environmental terms, not ruling out the reverse page of reused paper if not relevant can be misleading (e.g., Dunsby Village Hall and LALC invoices).

However, the majority of reused pages were originally documents relating to 'Bourne Wheelers', and included details of their accounts (e.g., Community Acct bank transactions covering year end, and some AGAR pages). Is the Council utilising Bourne Wheelers paper and ink, or are Council resources being used by Bourne Wheelers? I could find no evidence of any Council agreement to such an arrangement; there was no expenditure on paper and printing in the accounts.

The vast majority of issues identified in this report, are failures to fulfil the requirements of statutory legislation, that have been previously highlighted, numerous times, but still not addressed. Given that this has been a pattern over, at least, the last 9 internal audits, I'm not sure if this is due to a lack of understanding of the legislation and requirements when governing public money and running an effective Parish Council, or is just a complete disregard for proper practices.

As a Council, you are placing yourselves at significant risk of mismanagement or fraudulent activity due to not adequately scrutinising procedures and safeguarding assets on behalf of the Dowsby residents; you cannot blindly rely on the honesty of others.

The RFO may be responsible for implementing a system of financial controls and discharging their duties under the Accounts and Audit Regulations 2015. However, the Council is responsible for ensuring that everything is in place, it is effective, adhered to, and continues to be so.

When completing Section 1 – Annual Governance Statements in Section of the 2025/26 AGAR, the Council must satisfy itself that it has applied the 'proper practices', met the requirements of the latest legislation, and has the evidence to support a 'Yes' response to each one of the statements; 'No' responses need to be accompanied by a published Council explanation of the reason/s and how these weaknesses will be addressed.

I have completed the AGAR Annual Internal Audit Report for 2025/26 in line with this report, and will forward the signed copy to your Clerk. However, if you, or the Council would like to discuss any of the points raised, please do not hesitate to contact me.

Yours sincerely,

Original copy signed

Mrs V M Free

Copy to: Dowsby Council Clerk & RFO