FINAL

Internal audit report 2024/25

Visit 1 of 3

HAYDON WICK PARISH COUNCIL

Date: 11th November 2024

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Introduction

This report contains a note of the audit recommendations made to Haydon Wick Parish Council following the carrying out of internal audit testing remotely on 30th September 2024.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the requirements of later IA sections of the AGAR.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2024/25 (which will be between April and June 2025) will contain the audit opinion.

The following areas were reviewed during this audit visit:

1. Proper book-keeping
2. Payments
3. Risk Management (minutes review)
4. Income
5. Petty Cash
6. Exemption (confirmed not covered)
7. Transparency
8. Public Rights
9. Publication

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	3
Low	1
Info	0
TOTAL	4

I would like to thank Jodie Smart, Finance Officer & Deputy RFO for her assistance during this audit.

Darkin Miller Chartered Accountants
2024/25 INTERNAL AUDIT OF HAYDON WICK PARISH COUNCIL
FINAL REPORT VISIT 1 OF 3: 11th NOVEMBER 2024

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
2.1 – Ensure evidence of credit card authorisation is retained for all credit card expenditure	I checked to see that a sample of payments in the cashbook were supported by invoices, authorised and minuted. I found that all payments were supported by invoices and minuted for approval by Council or Committee, but that only 14/17 were authorised (signed or initialled by the Clerk or delegated budget-holder) to evidence that the invoice had been checked for accuracy, that goods or services had been satisfactorily received, and that the amount had been cleared for payment). 3/17 were credit card payments, of which 2/3 should have had evidence of authorisation based on a credit card sign in/out sheet (but the related sheet had disappear), and 1/3 was a regular payment made to Adobe which had been included on a list of regular payments for 24/25. I recommend that all credit card sign in/out sheets are retained to evidence authorisation of expenditure and that all credit card expenditure, including that related to regular payments, is noted and signed off on the credit card sign in/out sheet in order to ensure that the monthly amount charged as a regular payment is still subject to a check on the receipt of goods/services and that the price being charged is correct.	M	Credit card authorisation sheets are kept as a matter of course. However, the missing one is an unfortunate error. All staff have been reminded of where to place the completed sheets.	Finance Officer & Deputy RFO	18.10.24

3.1 – Minutes amendments	I reviewed the minute to confirm that there was no unusual financial activity. I found no such activity, but did note that: <u>Council</u> - The minutes of the annual Council meeting of 07/05/24 were not on the website at the start of the audit on 30/09/24, and the link to those of 27/08/24 opened a new page. Both have been corrected. <u>Personnel</u> - The minutes of the meeting of 13/05/24 were not on the website at the start of the audit. <u>Parks and Open Spaces</u> - The minutes of the meeting of 14/05/24 were not on the website at the start of the audit. This has been corrected. - Minute POS005 of the meeting of 14/05/24 refers in error to the approval of the minutes of 14/03/24. The meeting was held on 05/03/24. I recommend that the Personnel minutes of 13/05/24 are added to the website, and that Minute POS005 is amended, in order to ensure that a complete record of Council business and decisions is held.	L	Minutes to be added to website and amended as per recommendation.	Meetings Administrator	25.10.24
5.1 – Consider formal delegation to senior staff to allow lower-value price setting for	I checked to see that a sample of receipts had prices which agreed with those set by Council. I found that 6/10 of the samples had receipt levels set by a third party (e.g. grant or bank interest) and 2/10 agreed to a price set by Council. The final 2 samples (for tea dance	M	For consideration by Finance & Policy Committee regarding amendment to Financial Authoristations	Finance Officer & Deputy RFO	19.11.24

community events	tickets, and event wristbands) had prices set by the Deputy Clerk. There is not currently a delegated authority in place to formally permit senior staff to set prices. I recommend that Council considers formally delegating the authority to the Clerk and Deputy Clerk to set prices for community events in order to ensure that prices for lower value goods and services can be formally agreed without reference to Council.				
5.2 – Check the VAT treatment of memorial benches	I checked to see that VAT output tax had been treated correctly for a sample of receipts. I found that the treatment was correct for 9/10 samples. I noted that for 1/10 samples, relating to the annual recognition of maintenance income for 2 memorial benches, VAT had been charged on one of the original invoices but not on the second. The VAT was charged on the provision of storage, installation and maintenance of a donated bench. No charge was levied on the bench sold by the Council. It is my understanding that inscriptions for a donated memorial benches are considered non-business (so no VAT should be charged), but that memorial benches sold by the Council are business rated (so VAT should be charged). HMRC's website appears to be silent on the correct VAT treatment of the provision of other services in relation to memorial benches. I recommend that the Council checks the correct VAT treatment on memorial benches and considers whether any amendments are required.	M	For review against VAT guidance.	Finance Officer & Deputy RFO	December 2024.