FINAL

Internal audit report 2026/27

Visit 1 of 3

HAYDON WICK PARISH COUNCIL

Date: 27th October 2026

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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 8th and 9th October 2026.

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 2026/27 (which will be between April and June 2027) 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. Petty Cash (confirmed n/a)
5. Payroll
6. Exemption (confirmed not covered)
7. Public Rights
8. Publication
9. Assertion 10

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	2
Medium	2
Low	2
Info	0
TOTAL	6

I would like to thank Georgina Morgan-Denn, Chief Officer/Clerk and RFO; Jodie Smart, Smart Public Finance; and Kendel Pyne, Accounts Assistant for their assistance during this audit

Darkin Miller Chartered Accountants
2026/27 INTERNAL AUDIT OF HAYDON WICK PARISH COUNCIL
FINAL REPORT VISIT 1 OF 3: 27th OCTOBER 2026

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
2.1 – Consider how to record the authorisation and minuted approval of Square processing fees	I checked a sample of payments in the cashbook to confirm that they were supported by invoice or other working papers, authorised and minuted. I found that 14/14 samples were supported by invoice or other working papers, but noted that 1/14 (relating to the payment of Square processing fees) was not authorised or minuted. The Finance Consultant confirmed that as the Square charges get coded to the cashbook as part of a net sales receipt, these do not appear on the payments lists approved by Council, but suggested that they could be retrospectively approved in the same way that credit card transactions are. I recommend that the Council considers how to record the authorisation and minuted approval of the Square charges. Authorisation could be via e.g. printing the report of charges for the month and these being authorised en bloc by the Clerk.	L	<u>Square Charges Reconciliation</u> 1. Introduce retro approval of Square charges en bloc - same way as credit card transactions.	Chief Officer, **Accountant & Finance Assistant**	24.11.2027
3.1 – Approve annual Council minutes at the	I reviewed the minute to confirm that there was no unusual financial activity. I found no	H	<u>Council</u>		

next Council meeting, amend link and typographical errors	such activity, but did note that: <u>Council</u> - The minutes of the annual Council meeting are not signed off until the following year. This is not in accordance with Sch12 para 41(1) LGA 1972 which requires that they be signed off at the 'same or next suitable meeting' where 'suitable meeting' is interpreted as the next ordinary full council meeting. There is a governance risk if the decisions made at the annual Council meeting are not approved for 12 months. - Minute TC095F 22/09/26 contains duplicated text. <u>Personnel</u> - The link for the minutes of the meeting of 15/07/26 returns the agenda <u>P&H</u> - Minute PH005 of the meeting of 26/05/26 refers in error to the minutes of 26/04/26. The meeting was on 28/04/26. <u>CD</u> - Minute CD016 of the meeting of 07/07/26 cuts off 'In the meantime, please share the' I recommend that: 1. The minutes of the annual meeting of Council are approved at the next full ordinary meeting 2. The link to the minutes of the Personnel Committee meeting of 15/07/26 is corrected 3. The typographical errors are amended.		1. The governing legislation is noted - paragraph 41(4) states that the "next suitable meeting". 2. In practice, this council has long followed the approach of approving and signing the annual meeting minutes at the following year's annual council meeting. 3. There is no evidence that this longstanding practice has previously caused governance difficulty or that the annual meeting decisions have been invalidated. 4. CO disputes this is a High Risk to the Council 5. To avoid future comments from Internal Auditor, we will retro sign-off ACM 2026 in November Full Council meeting. And introduce this practice for 2027. 6. The duplicated wording in minute TC095F of 22/09/26 will be corrected as a clerical/minuting error. <u>Personnel</u>	Chief Officer (CO) & **Meetings Administrator**	24.11.27 14.10.26

	This will ensure that the Council has an accurate record of Council business and approved decisions.		7. Corrected link on website as soon as flagged by IA. <u>CD</u> 8. Correct minutes		24.11.26
7.1 – Post journal to clear down pension control and correct overstated gross pension cost	I checked to see that payments and deductions were correctly coded and suspense accounts promptly cleared. I found that there was no suspense or misposting account. I noted that there were balances on the payroll control accounts as follows: 1. Net wages £(0.14) – error re small overpayment to Councillor. The Financial Consultant confirmed that this had been cleared during the October 2026 payroll. 2. Pension control £(262.08) – relating to an in-year overpayment of employer's pension which was identified and corrected by staff. However, the related correction has only been posted to the balance sheet (Dr bank, Cr Pension control) where it also needs to be posted back to the I&E (Dr Pension control, Cr employer pension expenditure) in order to clear the control account and correct the overstatement of pension expenditure in the accounts. I recommend that a journal is posted to correct the pension control balance and bring the related credit into the I&E account,	M	<u>Pensions & Wages</u> 1. Net Wage overpayment was corrected and cancelled out. 2. Journalling / Credit will be actioned to ensure that the gross cost of salaries is correctly stated.	Chief Officer, **Accountant & Finance Assistant**	26.10.26 24.11.26

	reducing employer pension expenditure and ensuring that the gross cost of salaries is correctly stated.				
7.2 – Check mobile phone journal to ensure correct figure posted	I also noted that there was a £2.50 difference on the coding of parks staff costs and parks mobile phone costs for the sample month. The related journal shows £72.50 of mobile phone costs but the amount shown on staff payslips in May 2026 came to £70. I recommend that whilst the mobile phone expenditure may be de minimis and the cost of correction more than the related benefit, the journal should be checked each month to confirm that the total cost of mobile phones recoded out of staff costs is correct. Otherwise there is a risk that staff costs, which is separately disclosed on the face of the AGAR, will be slightly understated across the year.	M	<u>Mobile Phone Journal</u> 1. Accountant will add the checking of this journal to her monthly reconciliations.	Chief Officer, **Accountant**	End November reconciliation
7.3 – Consider control to further improve accuracy of net pay payments	I checked to see that the correct amount of net pay had been made to the correct employee for a sample month. I noted that one member of staff appeared to have been overpaid by 80p and the net pay for one Councillor was not paid until the following month. The Finance Consultant confirmed that the errors were identified as part of the month end process, which shows that the Council's reconciliation controls are working effectively to identify and allow for the correction of errors during the year.	L	<u>Net Pay Payments</u> 1. Pay payments are checked at the time of payment to confirm they match however sometimes errors will be made.	**Chief Officer**, Accountant, **Finance Assistant**	N/A

	I recommend that the Council considers whether the process could be further improved by including a check at the time of payment to confirm that the amount to be paid equals the total of net pay for the period.				
14.1 – Ensure documents published within deadline	I checked to see that the Council had complied with the publication requirements for the Public Rights Notice and unaudited ss1&2 AGAR (to be published at least one day before the start of the public rights date, which this year began on 03/06/26) and the Notice of Conclusion and audited ss1-3 AGAR (to be published on or before 30/09/26). I found that all documents were published, but that whilst the Public Rights Notice, Notice of Conclusion and s3 of the AGAR were published within deadline, the unaudited ss1&2 of the AGAR were not published until 08/06/26, five days after the start of the public rights period. I recommend that the documents are published within deadline in future.	H	<u>Publishing ALL documents within deadline</u> 1. Council notes the comments regarding the publication of the unaudited ss1&2 of the AGAR. 2. Guidance says the smaller authority must publish the Notice of Public Rights and ss1&2 “the day before the public rights period commences” 3. This was an administrative delay in the timing of the publication between the Notice and the accompanying documents. 4. The Council will ensure that in future, Public Rights Notice and the unaudited AGAR Sections 1-3 are published together and within the required timescale.	**Chief Officer** & Meetings Administrator	N/A