

Town & Parish Council Audit Services  
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# INTERNAL AUDIT REPORT

ALWOODLEY PARISH COUNCIL

FINANCIAL YEAR 2024/25

# INTERNAL AUDIT

## 1. Working documents, Policies and procedures

**OBJECTIVE :** To ensure that the Council has both statutory and recommended documents, Policies and procedures in place to enable the Council to meet its statutory duties and operate legally

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to evidence correct procedures, in terms of statutory requirements and also best practice
- Evidence was sought within the minutes and website to show adoption of required Policies
- Evidence was sought from the minutes and website to review procedures implemented and that the Parish Council meets duties and operates within statute

**AUDIT SUMMARY**

1. Alwoodley has an electorate of 6883. The Parish Council did not hold an Annual Parish meeting during the audit period as required thus failing to provide parishioners with the statutory right to attend and vote on parish matters.
2. The Parish Council failed to hold a statutory Annual meeting at which they are required to elect a Chair and Vice-Chair, and by default, no Declarations of Acceptance were signed by the Chair or Vice-Chair as required by statute
3. Alwoodley Parish Village Council is made up of eleven Councillors with the Quorum for full Parish Council meetings being four Councillors, and the quorum for Committee meetings being three Councillors. All minutes reviewed as part of this audit indicated they were quorate and therefore held legally.
4. Meetings are held monthly (except August and December) with appropriate Agendas and Minutes issued and published on the Council noticeboard (some information has been uploaded to the website retrospectively). A schedule of meeting dates is available.
5. Minutes do not state the venue of the Parish Council meetings, which need to be included to demonstrate compliance with paragraph 10 of schedule 12 of the Local Government Act 1972.
6. Minutes duly record that apologies for absence and reason are duly considered, however, they do not record the reason for Councillors absence. This is recommended to avoid the operation of the six month rule for disqualification (see Charles Arnold Baker page 47). Minutes do not record persons 'in attendance' which should include the Proper Officer, the number of members of the public and any

# INTERNAL AUDIT

other people attending for other purposes. The minutes do not identify who has taken the minutes of the meeting.

7. A bound copy of the Council Agendas and minutes was available for inspection virtually indicating appropriate numbering of minutes and pages for numerical sequencing. Minutes have not always been signed and dated by the Chair once approved. Article 19 of Schedule 12 of the Local Government Act 1972 and SLCC's 'Essential Clerk' reference the requirement of a Parish Council and its legal duty to keep records of its meetings which can then be used as evidence in a court of law. Minutes become legal when they are approved by the Council and they are signed by the Chairman as an accurate record. The Parish Council should ensure all minutes are signed following full Council approval ie initial each page and full signature and date at the end of the minutes.
8. Agendas provide opportunity for Councillors to declare any interests on Agenda items with Members interests forms duly completed by each Councillor, which is published on the Council website along with links to their completed forms.
9. A list of Councillors and their responsibilities is published and available on the Council website.
10. The Council have not signed up to the Civility and Respect pledge.
11. General Power of Competence has not been adopted and the Council utilises statutory powers for expenditure and has the power to utilise Section 137.
12. The Council does not meets its statutory requirements in accordance with GDPR and there was no evidence that the Parish Council is registered with the Information Commissioner.
13. It was noted that all Councillors have a separate Parish Council email address which is used by the Clerk for communicating all Council business, with .gov email addresses being used.
14. The Council has a website which is being updated to conform to the current Accessibility regulations, with most documents published in an accessible format. The website has a Privacy Notice, however there was no Accessibility Statement – Agendas and Minutes are not always uploaded, full accounts information is not available, External Audit report is not available and many policies out of date.
15. Previous AGARs have been uploaded however the External Audit report from the previous year was not available, with no evidence that it was received and accepted by the Parish Council. Five years worth of Internal Audits and submitted AGAR's were on the website.

## INTERNAL AUDIT

16. The period for the exercise of public rights has not been identified within the minutes and there was no evidence that these had been published to the electorate.
17. The Council has not reviewed and adopted updated Financial Regulations. Current Financial Regulations were last adopted in April 2022 and are not being complied with fully in terms of how the Council operates and also do not reflect changes the Council has implemented ie utilisation of internet banking. Financial Regulations should be reviewed and re-adopted annually. The Parish Council has a Scheme of Delegation however this is undated and it is unclear whether this has been reviewed and updated during the audit year.
18. Standing Orders have not been reviewed, updated and re-adopted and I would recommend that this is undertaken immediately, along with the Financial Regulations and Scheme of Delegation. Updated documents should be approved by the Council and uploaded onto the website and recorded in the minutes as such.
19. The Council has a range of Policies, however many of these are undated or have not been reviewed and updated in recent years. During the audit period I reviewed the following ; Communication Protocol (last reviewed October 2022), Complaints Policy (adopted 2022), Facebook Policy (no date), General Privacy Notice (no date), Grant Awarding Policy and Application Form (adopted 2022), Infectious Disease Policy (adopted 2020), Memorial Trees and Benches Policy (adopted 2022), Recording Meetings Policy (adopted 2020), Records Management Policy (no date), Security Incident Policy (adopted 2022). There was no evidence of other Statutory Policies and procedures being adopted by the Council – these being Policy and Certificate of Waste Disposal for dog waste, Website Accessibility Statement and Health and Safety Policy. A Code of Conduct is available on the website but undated and should be re-adopted for transparency. The website provides access to most Council documents.
20. From April 2025 all Councils must have an IT Policy detailing how Clerks, Councillors and other staff should conduct authority business in a secure and legal way when using IT equipment and software. This will relate to the use of authority owned and personal equipment. Although this will be reviewed in the 25-26 audit, I highlight to enable the Council to action if not already done so.
21. The Council have not adopted and signed the NALC Civility and Respect (April 2025).
22. In accordance with statutory requirements a summons is included in the Agenda to each Councillor, which is signed by the Clerk and displayed a minimum of three clear days in advance of the meeting according to statutory requirements. Minutes for all meetings are provided to Councillors, displayed on the noticeboard and available on the Council website in PDF format providing an accessible means to view, download and print. It was not possible to locate Agendas on the Council website.
23. The Council has three Publication Schemes published on its website, dated 2018, 2008 and an undated version (although this looks most recent) and also a Data Audit 2018/2021. The Data Audit addresses risk of holding digital data and security

# INTERNAL AUDIT

measures in place ie password protected and hard drive, however mainly refers to paper copies of documents so is probably out of date and needs reviewing and updating. Under Data Protection/Freedom of Information a document is held which identifies information held and in which categories, stating some information is unavailable which contradicts information stated in Publication Scheme, Audit etc... . I would recommend that the Parish Council review all its data governance documents, update and re-adopt these.

24. The Council partly complies with the Transparency Act
25. There is lack of clarity regarding Allotments – the website indicates that under ‘services offered’ the Parish Council provides Allotments and bank statements reflect income from Allotments. However, I was informed that the Council outsources responsibility for the allotments to the Alwoodley Allotment Society and that the Parish Council provide them with grant funding. Alwoodley Allotment Society collect rent which is then passed on to the Parish Council and have oversight of the allotment plots. The Parish Council were not able to locate any contractual agreements at the time of the audit to clarify the legalities of this arrangements and clarity over things such as Insurance. I would recommend that the Clerk investigate further and take appropriate advice to ensure the Parish Council have met any statutory responsibilities, and consider whether they should elect a Councillor to be a representative on the Allotment Society. It is not clear whether there are appropriate tenancy agreements in place, if there is a Register of Allotments or a register of Allotment payments – as the Parish Council receives the income there should be a system in place to ensure the Council knows how much income it should be receiving and if the money received is accurate (risk identified – theft/fraud)
26. The Parish Council is not responsible for Burials
27. The Parish Council is not responsible for Hall hire.
28. During the audit year it was not clear if the Parish Council was a member of their Association of Local Councils and did not appear to own a copy of Charles Arnold Baker (yellow book).
29. The Council has a Planning Committee which operates under Terms of Reference (which require review and re-adoption. The Committee considers and responds to Planning applications and verbally report to full Council. I would advise that the full Council minutes record receipt of the Planning Committee minutes and approve their recommendations.
30. There is no evidence of the Council considering and responding to any other consultations.
31. There is an Environmental Working Party which reports verbally to full Council operating under an old generic WP Terms of Reference. I would recommend that

# INTERNAL AUDIT

Terms of Reference are specific to the work of each individual Working Party to reflect the specific remit and work being undertaken.

## RECOMMENDATIONS

- The Parish Council should ensure that all statutory meetings are held throughout the year ie Annual Parish, Annual meeting with election of Chair and Vice-Chair
- It is a recommendation for minutes to also record all reasons for Councillor apologies going forwards, to avoid the operation of the six month rule for disqualification (see Charles Arnold Baker page 47)
- That minutes of all meetings are signed
- That the Parish Council register with the Information Commissioner and comply with GDPR requirements
- That the Parish Council update the website to comply with requirements of Transparency Code and other legal requirements
- That Standing Orders, Financial Regulations and other statutory Policies be reviewed, updated and adopted with this being recorded within the minutes of meetings. This should include all areas of Information Governance.
- Clarity is established and recorded regarding arrangements for Parish Council owned Allotments and if necessary guidance obtained to ensure the Council is meeting legal requirements and that appropriate contractual arrangements are in place
- That the Parish Council review the Terms of Reference for the Planning Committee and Environmental Working Party to ensure remit and process is clearly documented and followed, and recorded in the Council minutes accurately

# INTERNAL AUDIT

## 2. Budgetary Controls

**OBJECTIVE :** To ensure that a budget has been accurately prepared by the Council and adopted in the process of setting the Precept

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to ensure reference to the budgets prepared
- Evidence was sought within the minutes to show benchmarking of budgets against actual income and expenditure
- Current income and expenditure has been discussed by the Council in relation to the following years budget and preparation of year end profit and loss account

**AUDIT SUMMARY**

1. When setting the budget and Precept, the Agenda offers all Councillors an opportunity to declare interests including Dispensation requests as residents, there was no evidence of any Dispensation requests being made to the Council by Councillors and therefore not considered and approved.
2. The Parish Council has an overall budget of £174,500 and set its Precept at £51,009 (based on last years AGAR), however the minutes do not reflect any detailed financial information relating to the setting of budget and Precept
3. The Parish Council operates on a Receipts and Payments basis, however no records (digital or paper) have been maintained during the audit period. The current Clerk has been able to produce a retrospective list which had identified payments authorised by the Council and payments made from the bank account. She has highlighted that there are at least £34,422.64 in unpaid Invoices and a number of Invoices where it is not clear if the Invoices have been paid (some of which go back to 2021).
4. Councillors have not had sight of any bank statements during the audit period and it is noted that there have been difficulties accessing the bank account (due to staffing issues) however this is now resolved. The Parish Council holds a Bank Account with a reputable high street bank.
5. The Parish Council has not received and approved any accounts or bank reconciliations throughout the year audited, and there has been no monitoring of income and expenditure against the agreed budget for the year. A list of budgeted expenditure for 2024/25 was provided during the audit period which listed budget headings for expenditure (including s137 budget heading for grants). However, a budget heading for HMRC payments was not included which is required to monitor that statutory payments are being made (these can be a collective sum in minutes if required) and neither was there a budget heading for Pension contributions (and no evidence of pension contributions being made. It would also be recommended that a training budget for the Proper Officer be identified as well as a training budget for Councillors. VAT also needs to be separately identified both in terms of income and expenditure. A list for budgeted

# INTERNAL AUDIT

income for 2024/25 was not available or accounts reflecting income, although there was evidence in the bank statements of income to the Parish Council.

6. The Parish Council has no process in place for monitoring its budget which is reflected in the lack of a budgeting process whereby the Parish Council forecasts its income and expenditure against budget to the end of the year and considers the financial requirements for setting the Precept for the following years (or best practice of projecting budget for next 3 years). The Precept requirement did not stem from a budget process and there is no reflection in the minutes of the budget agreed, Precept or budget headings. The Parish Council does not have arrangements and processes in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.
7. Information was provided during the audit period indicating general reserves of £17,800 and Earmarked reserves of £80,000, however there is no reference in the minutes regarding the purpose of the Earmarked reserves. The Council has not adopted a Reserves Policy covering both General Reserves and Earmarked Reserves and the process for managing and using reserves throughout the year and also as part of the annual budget and Precept setting process, which is required in accordance with JPAG recommendations.
8. The Parish Council does not have a Public Works and Loans Board loan.

## RECOMMENDATIONS

- When setting the annual Budget and Precept that Councillors give due regard as to whether they wish to submit a Dispensation request.
- The Parish Council should have a monthly standing Agenda item to receive an update on the accounts, a copy of the bank statement, a bank reconciliation and evidence that the Council is monitoring expenditure and income against the agreed budget for the year. Approved reconciliations and financial information should be included within the contents of the Agenda paperwork and subsequently form part of the approved minutes.
- That the Parish Council put a robust process in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices, and that this form part of an annual budget setting process to inform Precept requests.
- That the Parish Council adopt a Reserves Policy covering both General Reserves and Earmarked reserves and that the accounts and minute clearly identify the purpose of earmarked reserves and reflect regular review of reserves balances.



# INTERNAL AUDIT

## 3. Risk Assessment

**OBJECTIVE :** To ensure risks are identified and managed effectively

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Review of Council Risk Assessment and areas covered
- Review of Parish Council insurance cover
- Audit of payments linked to Council minutes
- Testing of income and expenditure processes
- VAT recovery procedures

### AUDIT SUMMARY

1. The Parish Council has annual Insurance covering the dates 28<sup>th</sup> October 2024 (and period prior) to 27<sup>th</sup> October 2025, however the minutes make no reference to consideration and approval of the annual insurance premium or provider. The Parish Council has not reviewed its insurance by ensuring that the appropriate cover is in place and that it is linked to the values of the Asset Register and appropriate risk assessment and management. It is my understanding that the Parish Council does not have 'Fidelity Cover' in place, which should be rectified as a matter of urgency. As part of its routine Risk assessment this should have been identified as a financial risk to the Council. Fidelity guarantee protects Councils against financial losses caused by dishonest acts of employees and the policy should cover the maximum funds in the Council accounts at any one time, typically when Precept payment are received. The Council has Public Liability Insurance cover for £10,000,000 and Employer's Liability cover for £5,000,000.
2. Following the previous years audit it was highlighted that the Parish Council had not reclaimed VAT and I found no evidence that the Council has claimed VAT for retrospective years or the audit year 2024/25, which should be claimed and a system put in place to ensure that this is regularly done in the future and reported and recorded in the minutes accordingly.
3. The Parish Council does not operate a petty cash system. Separate to petty cash, there should be an approved process and policy for dealing with any cash income that the Parish Council may receive eg if a cash donation were to be received, and I would recommend that the Parish Council set up an appropriate policy and linked to Financial Regulations.
4. The Parish Council does not have a PC debit or charge card.

# INTERNAL AUDIT

5. Within the minutes of meetings reference is made to 'accounts for payment' which the Parish Council authorise however the minutes of the meetings held in April 2024, May 2024, June 2024, September 2024, October 2024, November 2024, January 2025, February 2025 and March 2025 do not detail the accounts authorised for payment – there is no reference to the payee, reason for payment or amount to be paid. Where the minutes of meetings list the accounts for payment there are numerous payments early in the financial year which the Council has authorised but the value of the payment is not stated ; April 2024 – LCC various, April 2024 Elementor website, June 2024 DM Hull, July 2024 DM Hull x 2. The Council should ensure there is a robust process in place to ensure that the Council knows the details of payees and value of payment prior to authorising at a Parish Council meeting, or arrangements are put in place for retrospective authorisation. All accounts for payment should be recorded within approved minutes of meetings (risk identified – illegal decisions and risk of fraud).
6. Minute No 2324/083 records the Parish Council authorising a grant to Allwoody Allotment Association, however it does not record the purpose of the grant or the value of the grant awarded and process for monitoring correct use of expenditure. A process should be put in place for the correct consideration, authorisation and recording of grants (risk identified – illegal decisions and risk of fraud)
7. At its October 2024 the Council received a presentation from Herd Farm who wished to run an outward bound course at the Centre they operate from at a cost of £1017. In January 2025 Minute No 2324/142 refers to a grant of £5000 being given to Herd Farm however no information is recorded as to what the increased amount was granted for and what powers were used. Herd Farm is owned by Leeds City Council and appears to be a commercial arm of the Council to generate profits from commercial hire of the premises. A commercial company (Forest School Plus) operates from Herd Farm. As the Parish Council has no powers to grant money to commercial organisations, for transparency and to provide clarity that the Council is making legal decisions, I would recommend that the Council minute the commercial status where they are providing such grants and also ensure that it is clear within the minutes how the grant money will be used and who will benefit (risk identified – illegal decisions).
8. In January 2025 Minute No 2324 refers to a request for grant funding from a local nursery (FHNW) for £350, however they did not have a constitution or bank account and subsequently decided to set up as a Community Interest Company which would allow them to receive a grant from the Parish Council. To set up as a CIC a registration fee of £65 was required which the Parish Council agreed to fund ; again the Parish Council should be clear about which powers they are using to authorise expenditure as the £65 was not a grant for a project and for transparency the powers used should be recorded in the minutes (risk identified – illegal decisions).

# INTERNAL AUDIT

9. In January 2025 the Parish Council received details of Bridleway 18 & 19 Improvements being done by Leeds City Council at a cost of £100,000 and the Council agreed a donation of £10,000 towards the cost of the project. The Highways Authority has overall responsibility for Public Rights of Way but Parish Councils have certain powers under the Highways Act that can be used to maintain bridleways. For transparency I would recommend that the minutes specify the specific work the Parish Council is funding under these powers rather than just recording it as a general financial contribution.
10. In Minute No 2324 the Parish Council authorises the expenditure of £3500 for the purchase of bollards on the verge of Alwoodley Lane (assumption made that land owners permission obtained prior) It is not recorded within the minutes the number and specification of the purchase and supplier and there is no evidence of three quotations for bollards being obtained as per the Councils Financial Regulations.
11. The current Clerk has recently taken over with no handover and has not been able to provide copies of financial paperwork, ie Invoices, payslips etc. and it has not, therefore, been possible to verify that accounts for payment and cheque stubs were processed in accordance with the Council's financial regulations ie initials of Clerk and Councillors authorising payment. The Council has changed payments to online banking now it has access to the bank account and I was informed that the two Councillor signature rule (ie Clerk and two Councillors) is being implemented to authorize digital bank payments. This needs to be reflected in the Financial Regulations and also the Councils' Risk Assessment.
12. There is no process in place for monthly monitoring of the Councils accounts. I would recommend that the Council implement an Internal Financial Control checklist which would consist of non-signatory Councillors have a rota whereby they undertake an audit trail of payments checking original invoices, mathematical accuracy, two Councilor signature rule has been applied and that payments correspond to minutes and bank statements, and that the checklist once completed forms part of the formal reporting to the Parish Council.

## RECOMMENDATIONS

- That the Council ensure that it risk assesses all financial matters and that Insurance cover includes Fidelity Cover.
- That the Parish Council retrospectively claims back all VAT before expiration of time limit and puts in place procedures for regular claiming and recording of VAT, with a recommendation that this is annually at a minimum. That the minutes of meetings duly record VAT reclaimed and that this form part of the Council accounting systems.

# INTERNAL AUDIT

- That the Parish Council adopt a policy and process for receipt of cash income.
- As part of the internal financial controls it is recommended that an Internal Financial Control checklist is presented alongside the reconciliations of income and expenditure and incorporated and adopted within the minutes.
- That the Parish Council ensure that for all payments they are clear what powers and piece of legislation they are using to authorize payments to avoid mis-use of public funds and the Council making decisions which are not legal.
- That in accordance with financial regulations, competitive quotes are obtained for items above agreed expenditure and tender processes are followed where required.

# INTERNAL AUDIT

## 4. Assets

**OBJECTIVE :** To ensure a complete and accurate register is kept detailing all the assets owned by the Parish Council

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Confirmation of Council Asset Register
- Ensure assets have adequate description to enable them to be identified
- Ensure assets have cost value and there is process in place for inspecting and re-evaluating costs

**AUDIT SUMMARY**

1. The Council holds an Asset Register which identifies items owned, where they are located (using what three words) and the value. Whilst 'what three words' is a useful digital reference I would recommend that the Parish Council also include a written description of the location of its assets.
2. The Asset Register does not indicate when items were purchased/age and also the basis for valuation eg historical, replacement. There was no provision in the Register that evidenced process for disposal or replacement of assets, current or historical.
3. There is no reference in the minutes that the Parish Council has reviewed and approved the Asset Register during the audit period, or that it has been provided to the Insurance company to update its Policy. The Asset Register should form part of the approved Council minutes.
4. There has been no physical inspection of the Council assets and no risk assessment of items listed, where deemed necessary
5. There are no investments held

# INTERNAL AUDIT

## RECOMMENDATIONS

- For Transparency a copy of the Asset Register be formally adopted and included within the content of the minute of the meeting at which they are reviewed and approved, and form part of the published minutes on the website. The basis of valuation for each item should be identified
- There should also be a physical check of the assets each year and reference to this should be included in the minutes of the meetings.

## 5. Payroll and Staffing matters

**OBJECTIVE :** To ensure amounts paid as salary are correct and have been subject to PAYE/NIC deductions which have been calculated in accordance with PAYE regulations. To ensure that all deductions have been paid over to HMRC within time constraints. To ensure that pension deductions have been calculated at the correct rate and paid over to the required body in accordance with Pension Regulations. To ensure that the Council complies with statutory requirements as an employer.

### **WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Review of procedures for salary payments
- Review of procedures for implementing tax codes and relevant deductions
- Review of pension deduction procedures and reporting to relevant pension scheme
- Review to ensure that payments are accurately authorised by the Council and recorded in minutes of meetings
- Ensure statutory Policies are in place and that any contractual changes are recorded

### **AUDIT SUMMARY**

1. The Clerk has been issued with a Contract of Employment and therefore the Parish Councils statutory requirements have been met, along with insurance requirements.
2. There is evidence within the minutes of salary payments and associated costs being approved (as a lump sum) however HMRC payments are not identified separately so it is not possible from the minutes to identify statutory requirements are being met. Bank statements show evidence of appropriate payments. Budget headings refer to salary and associated payments but again do not identify HMRC or pension payments separately.
3. The Parish Council has registered with HMRC as an employer with monthly Tax and NI recorded and the services of an external payroll contractor utilised to reduce and manage risk and to ensure statutory employer duties are met. There is no evidence in the minutes of reporting to the employer (Council) of tax codes for the financial year and that the Payroll provider has implemented correct tax codes for the year and issued P60's etc.
4. The Parish Council does not pay the HMRC agreed Home Working weekly allowance (which is good practice to pay the Proper Officer if there is no parish office).

## INTERNAL AUDIT

5. There is no reference in the minutes of linking employment costs when considering and setting the budget and Precept ie increase in NI contributions, national pay awards. Annual pay award was referenced in the minutes with approval for associated payments, however this was not referenced to NJC pay scales for accuracy and clarity around salary point.
6. There is no evidence of arrangements in place for staff to receive regular staff appraisal or an agreed budget for staff training . There is no budget for Councillor training or a training development plan to support Councillors in developing their knowledge and skills.
7. The Parish Council uses the services of a Ranger on a regular monthly basis to undertake a set range of duties. There is no reference in the minutes to the Parish Council completing the HMRC CEST assessment tool which determines whether the Ranger should be classed as employed or self-employed for tax purposes. This should be done (and reviewed annually if required if duties change) to ensure the Parish Council complies with HMRC regulations and avoids financial penalties. If the Ranger is determined not to be an Employee the Parish Council should ensure that an appropriate Contract for Services is issued and regularly reviewed, and that appropriate insurances are provided by the Ranger eg public liability and any other appropriate checks that may be deemed good practice (eg DBS if working in the community).
8. The Parish Council have indicated that they are registered with the Pension Regulator and a NEST pension is offered to staff. There is no evidence in the minutes or paperwork of pension contributions (employee or employer) being made or who the pension provider is.
9. The Parish Council has not agreed to paying Councillor allowances. There is no evidence of the Council meeting its statutory requirement to advertise Councillor allowances, even if they are zero, and of this being duly recorded in the minutes.
10. The Parish Council has the following statutory HR policies in place ; (a) Disciplinary Policy adopted 2022 – it is recommended that this is updated to reflect any changes in statutory requirements (b) Equality & Diversity with no date of adoption – it is recommended that this is updated to reflect any changes in statutory requirements (c) Grievance Policy adopted 2020 – it is recommended that this is updated to reflect any changes in statutory requirements. Councils have a statutory requirement to have a Pension and Retirement Policy which will set out the pension scheme offered and include details of how employee's contributions are calculated for a pension and pension administration details, along with a reference to working age requirements – there was no evidence of a Policy for the Parish Council. There was no evidence of a Disabled Access Audit which all Councils are required to have in order to comply with the Equality Act 2010. In terms of Best Practice HR Policies the Council may wish to implement the following policies (Recruitment, Induction & Training Policy, Working from Home Policy, Expenses Policy, Working Time Policy, Bullying &



# INTERNAL AUDIT

Harassment/Dignity at Work, Training Statement of Intent and Training Record, Family friendly Policy, Employee Code of Conduct, Lone working Policy.

## RECOMMENDATIONS

- Minutes to make reference confirming the Council has fulfilled statutory duties, which should include recording of statutory functions taken on behalf of the Council by the Payroll provider. on behalf of the Council.
- The Parish Council should have a Training Policy and associated training budget in place for both the Proper Officer and Councillors
- That the Parish Council review all HR Policies to ensure they meet current legislative requirements and have a process in place for reviewing and updating. As Best Practice the Parish Council consider the non-statutory policies as identified.
- That the Parish Council utilise HMRC tools for clarification as to the employment status when contractors who are not a Limited company are undertaking regular routine work on behalf of the Council, and that where the Council use a Contract for Services the appropriate legal provisions are in place.
- The Parish Council to advertise Councillor allowances.

# INTERNAL AUDIT

## 1. Bank and cash income and expenses

**OBJECTIVE :** To ensure systems in place for the accurate recording of all income and expenditure is sufficient and free from material error or misstatement. To ensure that all expenditure has been authorised by the Council and minuted accordingly and that all income can be verified to the source

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Bank reconciliation has been checked for arithmetical accuracy. Brought forward balance agreed to previous year reconciliation
- Bank balances have been agreed to bank statements as at 31<sup>st</sup> March 2025 and receipts and payments totals agreed back to spreadsheets
- A sample of costs verified against meeting minutes, vouchers, authorised payment, paid in accordance of the instructions, VAT correctly recorded, section 137 expenditure clearly identified

**AUDIT SUMMARY**

1. No bank reconciliations have been presented to the Council and therefore no checks for accuracy (subsequent to audit the current new Clerk has been able to reconcile the accounts).
2. There have been no internal audit checks completed for arithmetical accuracy.
3. Although minutes record authorization of payments, the majority of the minutes do not provide a records of payments and amounts authorised.
4. It was not possible to verify sample costs against meeting minutes, vouchers, authorised payments and bank statements, or identify VAT elements of payments.
5. There is no evidence of three quotations being obtained for larger areas of expenditure eg minutes recorded authorization of £3500 for verge bollards but no reference to obtaining and the basis for financial decision making.
6. There is no evidence of any End of Year accounts for 2024/25 being presented and approved by the Council or the Chair being authorised to sign expenditure and income accounts.

**RECOMMENDATIONS**

Recommendations earlier in report cover the above areas

## TOWN AND PARISH COUNCIL AUDIT SERVICES

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### ALWOODLEY PARISH COUNCIL INTERNAL AUDIT 2024/25

In accordance with my Internal Audit report, controls and procedures have been audited in accordance with the Governance and Accountability for Local Councils Practitioners' Guide.

Recommendations for improvement have been identified within the content of my Internal Audit Report for Council consideration.

I confirm that I do not have any role within the Council and carried out my audit without bias and follow the Public Sector Internal; Audit Standards 2012 to enable the Council to comply with these Standards and Accounting regulations.

#### Recommendations from previous internal audit 2023/24

The Internal Audit for 2023/24 had identified areas where the Parish Council did not meet audit regulations, which included :

- Cashbook not being maintained throughout the year
- Meeting minutes not being available to the public after September 2022
- Payments were not supported by Invoices authorized and minutes
- VAT not being claimed during the year
- No evidence of risk assessment
- No evidence of internal financial controls
- No training policy or budget for staff or Councillors
- No HR policies
- No Health and Safety Policies
- Asset register not reviewed and updated
- Registration with Information Commissioner expired November 2023

# INTERNAL AUDIT

- Policies on website not updated and current and require review for effectiveness

There is evidence in the minutes that the Parish Council received the Internal Audit report, however no discussion regarding the areas where the Internal Auditor had to assert 'no' on the AGAR and no action plan to remedy the areas identified by the Internal Auditor.

## Actions from previous external audit 2023/24

There is no evidence in the minutes that the Parish Council received and adopted the External Audit report for 2023/24, therefore I am **unable** to confirm that the Parish Council undertook the following statutory actions :

1. Electors rights – published notice for the period for the exercise for the public rights, and if they were that the dates included the first 10 working days in July in accordance with requirements
2. External Audit - report received by the Council, minuted and duly displayed on noticeboard and website with the AGAR.
3. reviewed the effectiveness of the Internal Audit

## Annual Governance and Accountability Return 2024/25

I have been unable to assert yes with respect to the Internal Control objectives A, B, C, D, E, G, H, I, J, L and M for the reasons outlined in my Internal Audit report.

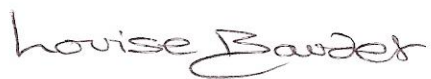
## Recommendations from my Internal Audit 2024/25

I have made a number of recommendations within my Internal Audit and have liaised closely with the newly appointed Clerk, who received no handover of paper and digital information from the previous Clerk and has been working hard to re-establish Parish Council records from email and web information. She has subsequently been able to undertake a reconciliation of the accounts for 2024/25 which evidences that all funds are accounted for. She has already started to put in place accounting records and recommendations to the Parish Council for more robust procedures and policies to ensure that in future the Parish Council is acting legally. The Council are supporting her to obtain her CiLCA and I would strongly recommend that the Council ensure that paid hours are allocated to her to undertake training and also to undertake the extensive amount of work that is required to ensure that the Parish Council is compliant with all statutory duties and responsibilities going forwards.

# INTERNAL AUDIT

Should you have any queries please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Louise Baudet". The signature is written in a cursive style with a large initial 'L' and a stylized 'B'.

Louise Baudet

Town and Parish Council Audit Services

21<sup>st</sup> July 2025