

Independent Internal Auditors Report
Hosley Woodhouse Parish Council
Year ending 31st March 2025

The internal audit is carried out in accordance with the Annual Governance and Accountability for Local Councils.

The audit has been carried out on a sample basis. The audit has covered the work carried out the Clerk/Responsible finance officer in the execution of their duties ensuring that the Parish Council have met the relevant regulations and obtain an adequate level of assurance.

To complete the audit the following areas have been analysed

- Appropriate accounting records, including cash book receipts and payments, income received and VAT refunded.
- Observation of financial regulations and standing orders
- Risk management/assessment
- Salaries to employees, PAYE and NI requirements
- Bank reconciliation of bank accounts
- Asset control, including fix asset register and adequate insurance provision
- Arrangements for the exercise of public rights
- Precept requirement and budget preparation
- Year end procedures
- The authority has complied with the publication requirements

Outcome

My inspection of the Council's records for the year ended 31st March 2025 found the following area requiring a 'No' response;

I would like to bring the parish councils attention to findings related to Internal Control Objective B. This objective has been marked as "**No**" due to the following observations

Honorarium payment

An honorarium payment that was processed outside of procedures. To ensure compliance with proper financial controls, the recommended course of action is to either:

1. Set up the individual as a casual employee through payroll, ensuring appropriate deductions and reporting,
or
2. Require an invoice submission with an accompanying expense claim to formalise the payment.

Payments being made without formal council approval and a corresponding minute number recorded

To ensure compliance with governance best practices, all future payments should be:

1. Formally approved during a council meeting.
2. Recorded with a minute number in the minutes.
3. Processed only after authorisation to maintain financial transparency and accountability.
4. Emergency payments requiring retrospective approval should be minuted at the next available parish meeting. This is acceptable practice if the council's financial regulations allow.

Please rectify this issue and implement improved procedures moving forward.

(F) has a 'not covered' response as is not applicable to this Council.

(K) has a 'not covered' response as is not applicable to this Council.

Further Recommendations

It is good practice to minute the dates set for the Period for the Exercise of Public Rights. This is not a statutory requirement but it is accepted as audit evidence that the Council complied with the publication requirements.

The audit process was carried out with co-operation from the Parish Clerk/Responsible Finance Officer.

This concludes my report for Horsley Woodhouse Parish Council.

Mrs Karen Howe

Dated, 3rd June 2025