Piddle Valley Parish Council Audit – 2025-26

Summary of Audit Checklist Recommendations:

Recommendation 1:
That the Financial regulations are reviewed and agreed annually.

This is a statement in the Standing orders so should be complied with or amended.

Recommendation 2:
That the Risk assessment is in the public domain.

It is important that the parishioners and wider community can see that the Councils has considered the risks and provided mitigation where possible.

Recommendation 3:
That the payment lists are included in the minutes (or attached as an appendix to the minutes and published for electors to see.

The website does show a full list of expenditure, but there is no evidence to show that all of these payments were seen and approved by Councillors in a full Council meeting. The minutes are the corporate record of the Councils business and as such should hold specific information so that transparency can be proven with regard to the public funds that it holds and uses.

Recommendation 4: That the bank mandate is reviewed to ensure that all signatories are still serving council members.

It is prudent to ensure that only serving Councillors plus the Clerk are listed on the bank mandate. This is to prevent fraud and ensure that sufficient signatories remain to be able to authorise payments.

Recommendation 5:
That at least half- yearly comparisons against budget should be published. This could be as part of the budget consideration papers.

The Council must show that they are in control of their finances and show how they are performing against the budget that they set. Often things change within the year regarding spending, which is acceptable and the comparisons show that the Council understands the reasons for variances and that any changes have been agreed and minutes as part of spending decisions.

Recommendation 6:
That a general reserves policy is drafted and agreed.

A General Reserves Policy is needed to provide clear guidance on the appropriate level of unallocated reserves the Council should hold, ensuring they remain proportionate to the Council's financial risks and are used only for unforeseen or emergency expenditure. A policy also supports consistent decision-making, improves transparency for councillors and the public, and ensures reserve levels are reviewed systematically during the budget and precept-setting process.

<u>Recommendation 7:</u> That a CIL report is available on the website to show the total funds that have been received, from what development and where they have been spent.

The legislation around Community Infrastructure Levys outlines that the Council should show clearly on their public access website which sites CIL funds have been received. It should then also show where these funds have been used to support new infrastructure as this should be for the direct benefit of those in the vicinity of the new development. Eg: in the case of Piddle Valley Parish Council, funds that have been received from Piddlehinton CIL development should not be used for the benefit of those in Piddletrenthide, with the exception of a facility only being available in one of those villages and used by both.

Having a report on the website showing this supports transparency and allows an easy response to any request by Dorset Council to provide this information.

CIL funds should also be separately earmarked within the accounts and not used for any other purposes.

<u>Recommendation 8</u>:
That the asset register is updated with the date purchased, potential renewal dates, purchase price and insurance values.

An asset register should not just be a list of what the council has bought and owns, it is a working document which allows a Council to plan not only insurance provision, but when assets may be coming to the end of their useful life. Without this the Council tends to be reactive rather than pro-active with regard to maintenance of assets.

The asset value on the AGAR should be that of the purchase price rather than an up to date valuation (unless done by a qualified assessor). There is also no total on the register of the asset value.

<u>Recommendation 9:</u>
That the Asset register purchase total is included in the AGAR as Line 9.

The purchase price of the assets that the Council holds is part of the Section 2 AGAR. It looks like the value last year might have been reported as £0. If this is the case, then a 'restated' value should be included for the 31/3/25 period in this years AGAR.

<u>Recommendation 10:</u>
That the insurance values are reviewed once the Asset Register purchase values are confirmed.

The values insured on the policy should cover the replacement or rebuilding of the asset. There should then be a separate column on the asset register where these insured values are listed.

Recommendation 11:
That the internal audit reports and recommendation are circulated to the Council, considered and approved at the full Council. The recommendations should then be reported on as part of any action plan until resolved.

The Council needs to acknowledge that an independent review has taken place and its outcome. If no recommendation have been made then the minutes should report this.

Recommendation 12:
There was no reporting of any internal audit recommendations that may have been made.

Recommendations should be reported to the Council along with an action plan to resolve them. The Council also needs to understand the testing carried out to come to the recommendations made.

The action plan should state who is responsible for addressing them and making the required changes. The Council is a public body and should be seen as transparent, open and honest, even if operational procedures require change.

Recommendation 13:
That all of the AGAR documents and public rights notice are published on the website.

The Council must publish the approved Annual Governance and Accountability Return (AGAR) and public rights notice on its website each year. This is a statutory requirement for smaller authorities and forms part of the transparency obligations set out in the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities.

Recommendation 14:
That the Public rights notice is explicitly minuted including the exact dates of the period.

This is a requirement of the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities.

Recommendation 15:
That the Council drafts and agrees an IT policy.

This is a requirement of Assertion 10 of the JPAG / SAAA Guidance.

Recommendation 16:
That the GDPR policy is reviewed and dated.

It is important that policies are regularly reviewed and updated if necessary. Review dates should be included on the document so that anyone viewing it can be assured that it is the latest version.

<u>Recommendation 17</u>:
That the Retention schedule is reviewed and dated.

It is important that policies are regularly reviewed and updated if necessary. Review dates should be included on the document so that anyone viewing it can be assured that it is the latest version.

<u>Recommendation 18</u>:
That the Annual Governance statement is considered and approved by the Council with separate minutes being listed for this and Section 2 of the AGAR.

The Annual Governance Statement (AGS) is a *statement of responsibility*, not a financial document. It must be approved separately so that councillors explicitly confirm that the council's governance arrangements are sound before they approve the accounting statements that rely on those arrangements.

Paula Harding
Internal Auditor