BIRCHINGTON PARISH COUNCIL
INTERNAL AUDIT REPORT 2024-25

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2024-25 and have been able to complete the Annual Internal Audit Report (AIAR) for the 2024-25 Annual Governance and Accountability Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussion with your Clerk I was able to answer 'YES' to all the relevant questions contained in the AIAR for 2024-25.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 28 May 2025.

PREVIOUS AUDITS:

External Audit 2023-24:

Mazars' audit certificate for 2023-24 dated 25 September 2024 included two qualifications. While the Council noted the auditor's report at its meeting on 19 November 2024, minutes do not indicate that the auditor's comments had been addressed. I reiterate that the Council must consider all matters in reports (and letters) from the auditor (per Accounts & Audit Regulations) but also that the Governance Statement contains an assertion that the Council has taken appropriate action on all matters raised by the auditor.

Internal Audit 2023-24:

I have previously reported that the Council's budget and precept setting process does not comply with statute. I note that the 2025-26 budget was approved at the meeting on 31 January 2025 with a precept of £190,154 although the precept itself was not formally resolved.

I note that the 2024-25 Governance Statement was correctly approved before the Accounting Statement.

FINDINGS THIS VISIT:

During the audit I carried out sufficient work to enable me to complete the Annual Internal Audit Report. I concentrated on the trail from the annual accounting statement back to the receipts & payments A/c and bank statements while testing transactions to invoices or other supporting documentation. I have also reviewed the Council's minutes for compliance with legal obligations, its general functioning and for mutual consistency with the accounts.

I found the financial records to be accurate and up to date.

I noted that bank reconciliations were approved by two councillors, one of which was the Chair. Good practice in respect of separation of duties would indicate that the Chair should have little or no involvement with the Council's financial activities. Approval in the context of bank reconciliation means checking that they are being done correctly and not to validate the document.

Minutes for the meeting of 16th July 2024 were not available at the meeting held on 17 September 2024 and were to be circulated for approval at the next meeting. This is contrary to para 41 schedule 12 Local Government Act 1972 – minutes of a meeting must be signed at the same or next suitable meeting.

The Council and its committees met on 35 separate dates during the 2024-25 financial year. This is way more than I would expect for a parish with a £200k turnover. I have reviewed the minutes of these meetings and conclude that councillors' and staff time is being wasted - the business conducted should be completed in, at a rough estimate, half the actual number of meetings.

I have been alerted to and reviewed documents in respect of a councillor acting in an inappropriate manner and at worst unlawfully. Parish councils cannot lawfully delegate to individual councillors or to a group of councillors not constituted as a committee. They may delegate only to a committee or sub-committee, to an officer or to another authority. This is set out in s101 Local Government Act 1972. In effect parish councils are constrained to act collectively and a parish councillor may only act in an executive role if simultaneously holding the office of clerk. It follows from the restriction on delegation that an individual councillor must not issue purchase orders or contracts on behalf of the council (as covered in Financial Regulations) nor issue instructions to staff or to third parties on behalf of the Council (as covered in Standing Orders).

The Council approved a valuation of the library. This was cancelled apparently on the instruction of a councillor. The councillor had not been authorized to issue any instruction. As can be seen from the previous paragraph that councillor's action would be a breach of the Council's own Standing orders and possibly of the Code of Conduct (in holding him/herself as able to make decisions).

The same councillor wrote to Thanet DC requesting a review of the Council's constitution and to HM the King seeking permission to install a plaque on the village Green. In neither case did the councillor have the Council's authority to write the letters on its behalf.

I understand that there are no further instances of potentially unlawful acts by individual councillors. It may well be that the councillor involved misunderstood their role.

Having reported on the limitations on councillor activity I should add that the RFO and myself have statutory duties in respect of the Council or councillors acting unlawfully. Should the Council or councillors not take account of our concerns we would be obliged to inform the external auditor. The external auditor may carry out their own investigation. In the end the auditor could apply to the high court for an order requiring councillors adjudged to have engaged in wilful misconduct to meet the cost of any losses their activity has caused.

I have nothing further to report.

Lionel Robbins
Independent Internal Auditor
21 June 2025