

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Barham Parish Council – 2024/2025**

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2024. The following recommendations/comments have been made:

Income: £63,544      Expenditure: £83,681      Reserves: £112,852

### AGAR Completion

Section One: No – to be approved by council

Section Two: Yes (draft figures) – to be approved by council

Annual Internal Audit Report 2024/2025: Yes

Certificate of Exemption: No

***Recommendation:*** It is noted that the AGAR, Form 2 has been supplied for the audit. Due to the income/expenditure of the Council exceeding £25,000, Form 3 should be used.

***Recommendation:*** As per the External Auditor's opinion for the 2024 financial year, the Council should tick 'No' to Assertion 4 in Section 1 of the 2025 AGAR.

*There is a rounding error in the draft figures in the AGAR, Section 2. It is suggested that the following figures are used when approving the 2025 AGAR:*

|       |         |
|-------|---------|
| Box 1 | 132,991 |
| Box 2 | 31,249  |
| Box 3 | 32,295  |
| Box 4 | 11,818  |
| Box 5 | 0       |
| Box 6 | 71,865  |
| Box 7 | 112,852 |
| Box 8 | 112,852 |

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year end accounts.*

*The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.*

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## Financial regulations

Standing Orders and Financial Regulations  
Tenders

Appropriate payment controls including acting within the legal framework with reference to council minutes

Identifying VAT payments and reclamation

Cheque books, paying in books and other relevant documents

Standing Orders in place: Yes

Reviewed: 20/1/2025 (Ref: 8.01.d)

Financial Regulations in place: Yes

Reviewed: 20/1/2025 (Ref: 8.01.d) and 23/9/2024 (Ref: 7.9)

***Recommendation:*** When next reviewing Standing Orders, 18.c should reflect the changes in the Public Contracts Regulations in the Council's Financial Regulations.

VAT reclaimed during the year: Yes

Registered: No

| Submission Period:    | Amount:   |
|-----------------------|-----------|
| 01/12/2023-30/06/2024 | £1,615.18 |
| 01/06/2024-31/07/2024 | £2,249.48 |
| 01/08/2024-31/12/2024 | £1,093.45 |

General Power of Competence: No

Policy Review Schedule in place: No

***Recommended:*** A number of policies have not been reviewed recently. It is recommended that a Policy Review Schedule is implemented to ensure policies are reviewed regularly to make sure they are still fit for purpose.

*There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.*

## Risk Assessment

Appropriate procedures in place for the activities of the council  
Compliance with Data Protection regulations

Risk Assessment document in place: Yes

Data Protection registration: Yes Ref: ZA325006

### ***Data Protection***

*The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.*

Privacy Policy published: Yes

Link: <https://barhamparish.gov.uk/assets/Policies-and-Procedures/Policies/Privacy-Notice-for-Public-General-Data-Protection-Policy.pdf>

*Insurance was in place for the year of audit (valid 1/10/2024 – 30/9/2025). The Risk Assessment was reviewed at a meeting held on 20/1/2025 (Ref: 8.01.b). Internal Controls were reviewed on 17/3/2025 (Ref: 10.03).*

Statement of Internal Controls in place: Yes

*The Council have good internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

*The annual play area inspection has been undertaken during the year (Ref: 20/1/2025 - 8.01.b).*

Fidelity Cover: £150,000

*The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.*

## Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: No

Website: <https://barhamparish.gov.uk/>

*The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.*

Under **The Accounts & Audit Regulations 2015 15** councils must publish on their website:

External audit report

*2024 Annual Return, Section One Published – Yes*

*2024 Annual Return, Section Two Published – Yes*

*2024 Annual Return, Section Three Published – Yes*

Under **The Accounts & Audit Regulations** councils must publish on their website:

Notice of period for the exercise of public rights

*Published – Yes*

Period of Exercise of Public Rights

Publication Date: 22/5/2024 Start Date: 3/6/2024 End Date: 12/7/2024

*As per the External Auditor's opinion the date of the start of the inspection period needs to be after the date of the approval of the AGAR.*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on their website.

*The Council have met the publication requirements.*

### **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £56,120 (2025-2026)

Date: 19/11/2024 (Ref: 8.10.g)

Precept: £31,249 (2024-2025)

Date: 15/1/2024 (Ref: 11.01.d)

*Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.*

### **Income controls**

Precept and other income, including credit control mechanisms

*All were found to be in order. Income controls were checked and a sample of income received and banked cross referenced with the Cash Book and bank statements.*

### **Petty Cash**

Associated books and established system in place

*A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.*

### **Payroll controls**

PAYE and NIC in place where necessary.

Compliance with Inland Revenue procedures

Records relating to contracts of employment and pensions

PAYE System in place: Yes

Employer's Reference: 120/ZA84506

P60s issued: Yes

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and a P60 has been produced as part of the year end process.*

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*Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 27/7/2023. The next due date is 27/7/2026.*

*It is noted that the Council undertook a review of salaries at a meeting held on 19/11/2024 (Ref: 8.10.f).*

#### **Asset control**

Inspection of asset register and checks on existence of assets  
Cross checking on insurance cover

*A separate asset register is in place with a review being undertaken at a meeting held on 20/1/2025 (Ref: 8.01.b). Values are recorded at cost value. The total value of assets are recorded at £54,157. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

#### **Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.*

*Bank Balances at 31 March were confirmed as:*

|                           |                 |                   |
|---------------------------|-----------------|-------------------|
| <i>Barclays Community</i> | <i>xxxx7542</i> | <i>£57,449.86</i> |
| <i>Barclays Premium</i>   | <i>xxxx5395</i> | <i>£55,402.05</i> |

*The Council had no outstanding loans at the year end.*

#### **Reserves**

General Reserves are reasonable for the activities of the Council  
Earmarked Reserves are identified

*The Council have adequate general reserves (£16,828.45) and have identified earmarked reserves of £20,537.34 in their year end accounts.*

#### **Year-end procedures**

Appropriate accounting procedures are used and can be followed through from working papers to final documents  
Verifying sample payments and income  
Checking creditors and debtors where appropriate.

*End of year accounts are prepared on a Receipts & Payments basis.*

Local Council Tax Support Grant is excluded from Box 2: [NA](#)

#### **Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

## **Internal Audit Procedures**

*The 2024 Internal Audit report was considered by the Council at a meeting held on 3/6/2024 (Ref: 8.05.d).*

*A review of the effectiveness of the Internal Audit was carried out on 20/1/2025 (Ref: 8.01.a).*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 20/1/2025 (Ref: 8.01.a).*

## **External Audit**

*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 3/6/2024 (Ref: 8.5.e).*

*The External Auditor's report was considered at a meeting held on 19/11/2024 (Ref: 7.11.c).*

*The following matters were brought to the attention of the Council:*

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2024/25 for the exercise of public rights, since the approval date was not prior to the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the exercise of public rights during 2025/26.

## **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 20/5/2024. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for their assistance during the course of the audit work and the quality of documentation provided for the audit.



## **Heather Heelis**

Heelis & Lodge  
19 April 2025

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

|                       |
|-----------------------|
| Barham Parish Council |
|-----------------------|

|                     |
|---------------------|
| Invoice No: HL9545  |
| Date: 23 April 2025 |

| Details   | Quantity | Amount (£) | Total (£) |
|---|----------|------------|-----------|
| To carry year end audit for 2023-2024<br>Banding £50,001 - £100,001 | 1        | 260.00     | 260.00    |
| Total   |          |            | 260.00    |

Please make cheques payable to: Heelis & Lodge

Terms – 14 days

Bank Details: Account 02539349 **Sort Code 09-01-50**

**NB Change to bank account details**

Thank you.

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