

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Barking 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: £250,591 Expenditure: £46,610 Ear Reserves: £253,067 General: £15,200

### AGAR 2024 / 2025 Completion:

Section One: **No**

Section Two: **Yes - unsigned**

Annual Internal Audit Report 2024 / 2025: **Yes**

Certificate of Exemption: **No**

**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.*

**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: **16<sup>th</sup> January 2025 (Ref: 91/24)**

Financial Regulations in place: **Yes**

Reviewed: **16<sup>th</sup> January 2025 (Ref: 88/24f)**

VAT reclaimed during the year: **Yes**

Registered: **No**

***Recommendation (1)*** *The council should seek advice on its practice of reclaiming VAT (e.g. Minute 111/24d).*

General Power of Competence: **No**

Policy Review Schedule in place: **No**

*No tenders during the year exceeded the £30,000 Public Contract Regulations threshold.*

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## 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 – ZA048094 Expiry 18/05/2025

### **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

*Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 16<sup>th</sup> January 2025 (Ref: 88/24).*

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.*

Fidelity Cover: £250,000

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

**Recommendation (2):** *To review Fidelity Cover in line with 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: [Yes](#)

Website: [www.barking.onesuffolk.net](http://www.barking.onesuffolk.net)

- a) all items of expenditure above £100  
*Published – Yes*
- b) annual governance statement (By 1 July)  
*2024 Annual Return, Section One Published – Yes*
- c) end-of-year accounts (By 1 July)  
*2024 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2024 Annual Return, Section Four Published – Yes*
- e) list of councillor or member responsibilities  
*Published – Yes*
- f) the details of public land and building assets (By 1 July)  
*Published – Yes*
- g) minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*The Council have met the requirements of the Transparency Code for smaller councils.*

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

Certificate of Exemption

*Certificate of Exemption Published - No*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on their website. The council has complied with this requirement.

Under **The Accounts & Audit Regulations 2015 15(2b)** 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: 29/05/2025 Start Date 3=03/06/2025 End Date 12/07/2025

**Budgetary controls** Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £15,200 (2024 / 2025) Date: 18<sup>th</sup> January 2024 (Ref: 81/23)

Precept: £16,500 (2025 / 2026) Date: 16<sup>th</sup> January 2025 (Ref: 88/24e)

*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 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

PAYE System in place: **Yes – PAYE Tools**

Employer PAYE Reference: 475/LA56110

P60's issued: Yes

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

*No eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 6<sup>th</sup> December 2022.*

*It is noted that the Council undertook a review of salaries at a meeting held on 21<sup>st</sup> November 2024 (Ref: 79/24).*

**Asset control**

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

*A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £34,699. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

*The Asset Register was approved at the meeting on 19<sup>th</sup> September 2024 (Ref: 48/24e)*

**Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*Bank Reconciliations are carried out regularly. The bank statements did not reconcile with the end-of-year accounts and bank reconciliations for all accounts.*

*Bank Balances were confirmed as:*

Barclays Premium	****6183	£	0.00
Barclays Community	****2480	£	0.00
Barclays Community	****4156	£	4,709.69
Barclays Premium	****6480		£266,274.83 as at 21/03/2025

**Recommendation (3):** *Provide the bank statement showing balance as at 31<sup>st</sup> March 2025 for audit purposes..*

**Recommendation (4):** *The council should consider the limits of the Financial Services Compensation Scheme.*

**Reserves**

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

*The Council have adequate general reserves (£15,200) and has identified earmarked reserves 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.*

**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 16<sup>th</sup> May 2024 (Ref: 10/24c)*

*A review of the effectiveness of the Internal Audit was carried out on 16<sup>th</sup> May 2024 (Ref: 10/24c)*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 19<sup>th</sup> September 2024 (Ref: 48/24c).*

## **External Audit**

*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 16<sup>th</sup> May 2024 (Ref: 10/24). However, this did not follow the guidance on the AGAR as:*

- There was no declaration minuted that the council were exempt and would not send the completed AGAR to the external auditor
- The approval of Section 1 of the AGAR was not minuted as being completed before Section 2 was approved.

***Recommendation (5)** The Council should follow the guidelines for approving the AGAR.*

## **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 16<sup>th</sup> May 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 the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC**  
**Heelis & Lodge**  
16<sup>th</sup> April 2025

# HEELIS&LODGE

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

## INVOICE

**To:**

Barking Parish Council  
2 Northfield Road  
Onehouse  
Stowmarket  
IP14 3EY

Invoice No: HLD2410  
Date: 16<sup>th</sup> April 2025

Details	Quantity	Amount (£)	Total (£)
To carry out a Year-end Internal Audit for Barking Parish Council for the year ending 31 March 2025.  Charged for £50,000 to £100,000 banding.	1	260.00	260.00
Total			260.00

**Please make cheques payable to: Heelis & Lodge**

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

**Terms – 14 days**

Thank you.

**HEELIS&LODGE**

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