

Annual Internal Auditor's report 2024/25 Barham Parish Council

Internal Auditor: Deborah O'Brien CiLCA PIALC

Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In accordance with guidelines contained in the 2024 Practitioners' Guide (JPAG) paragraphs 4.6-4.12, I am independent of the Parish Council and its members as well as being a CiLCA qualified Clerk with over 10 years' experience.

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31st March 2025, as outlined in the letter of engagement signed by the Council at its 3rd October 2024 meeting. The function of this internal audit is to improve efficiency and effectiveness of the Council's procedures, not to detect errors or fraud, as the management of the Council's internal controls is a function of the Council as a whole. (Practitioners' Guide, paragraphs 4.4-4.5).

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Barham Parish Council](#). In addition, a Zoom meeting was held on 29th May 2025 to review the report.

Overall, the standard of management and governance processes is excellent, with some issues highlighted below for the attention of the Parish Council. I would like to thank the Parish Clerk/RFO, Caroline Read for her cooperation and assistance in facilitating this internal audit.

Internal Audit report assertions

A. Appropriate accounting records have been properly kept throughout the financial year.

- Prior year's cashbook balance has been correctly brought forward.
- Appropriate accounting records have been kept throughout the year with monthly updates brought to council meetings. The Council now uses Scribe software which has enabled easier reporting and reconciling. Reconciliations are regularly brought to meetings and signed off by the Internal Controls Councillor.
- Council minutes for the year are complete and up to date and have been initialled & signed. They should be numbered and filed in accordance with [Local Government Act 1972 sched 12 paragraph 41 \(1\) \(2\)](#) Section (2)

specifically states that the loose leaves should be consecutively numbered. I would recommend that a header is inserted giving the full date of the meeting, with a page number as either a footer or header.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

- Financial Regulations are regularly reviewed and are based on the latest 2025 template. Standing Orders are also regularly reviewed and based upon Model Standing Orders 2018 (updated April 2022).
- Invoices are processed promptly with the Clerk/RFO checking for validity and prior authorisation. They are then presented to full council for approval.
- A random sample of financial transactions was examined in detail and generally found to be administered correctly.
- Currently five (out of nine) Councillors are authorised on the banking mandate with two signatories required.
- Payments are made by BACS/standing order or direct/debit.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

- [The Accounts and Audit Regulations 2015](#) require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.
- Standing orders (NALC 2018 updated April 2022) were last reviewed in September 2024. A 2025 revision to Standing Orders 14 and 18 is now available and should be adopted when practical.
- Other policies are in place and regularly reviewed. These are available on the website at [Policies and Procedures – Barham Parish Council](#)
- Insurance is in place, to appropriate levels. A 3-year long-term contract is in place.
- It is recommended that the council reviews its insurance coverage level in relation to assets annually.
- Regular inspection of assets are made and recorded and the Council is now using Civicly for this purpose. This increased the amount of assets held by £57k for insurance purposes.
- The council is responsible for various trees within the parish. I would recommend that the Council considers a plan of action for any tree inspections and remedial works that need to be conducted. Check with your insurers as to their requirements for frequency.
- The Council reviewed its updated strategic risk assessment in December 2024.
- Risk assessments are conducted and kept on file for the play area and other community assets. A RoSPA inspection is done annually. (Additional quarterly

inspections also conducted). A list of Open Spaces risk assessments can be viewed on the website.

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

- The 2024-25 budget is not shown in the minutes as having been reviewed. The December 2023 minutes state that the 2024-25 precept would be raised to £45,557 (minute 278). The 2025-26 budget was reviewed in detail and the Precept set at £47,641 at the 5 December 2024 meeting, minute 176.
- The precepts received match the public record of precepted amounts.
- Regular progress reports against the budget were prepared and reviewed.
- An ear-marked reserve schedule and financial reserves policy were reviewed at the December 2024 meeting. The reserves analysis (1.4 spreadsheet) shows ear-marked reserves of £20,673 leaving general reserves of £65,578. I would recommend adding an ear-marked reserve for tree inspections and remedial works.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

- The precept received matched the request and the central government record.
- Concurrent funding was received in the amount of £10,080, plus other grants totalling £3,260.
- A VAT refund for 2023-24 was received in the amount of £2,609.26.
- Bank interest of £1,700.67 was received and an insurance receipt of £1,319.60.
- Allotment lease fee was reviewed in June 2023. The football club lease was amended in May 2023 & tennis club fees are due to be reviewed in 2027.

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

- No petty cash held – not applicable.

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

- The Council is registered with HMRC as an employer and payroll is administered via a payroll provider.
- The Clerk/RFO is the only employee, and the NALC model template contract was used. Any changes to contract must be confirmed in writing.
- Regular payments to HMRC have been made in respect of PAYE, and the HMRC online statement shows no balances due.

- The Council is registered with the Pensions Regulator, and a redeclaration of compliance was made on 23 Feb 2023.
- No members allowances are paid.

H. Asset and investment registers were complete and accurately and properly maintained.

- The asset register is up to date and matches line 9. The figures reflect the acquisition values and not the insurance value, which is a separate column. This was last reviewed in February 2025.
- New acquisitions are added as purchased. (less VAT)

I. Periodic bank account reconciliations were properly carried out during the year.

- Periodic bank reconciliations are conducted and signed off by the Internal Controls Councillor.
- Bank statements are regularly compared to the bank reconciliations.
- The year-end reconciliation matched the year-end bank statements.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded.

- The council operates on receipts and payments accounting in accordance with regulation 11 of the Accounts and Audit Regulations 2015.
- The financial detail reported in the draft Section 2 of the AGAR reflects the detail shown in the cashbook for 2024/25.
- Line 2 agrees to the precept raised.
- Lines 2 & 3 equate to the receipts recorded in the cashbook.
- Line 4 contains only staff costs as set out in Practitioners' Guide.
- Lines 4, 5 and 6 equate to the payments total in the cashbook.
- Line 8 matched the year-end bank reconciliation and supporting bank statements.
- Line 9 matches the asset register.
- Line 10 matches the PWLB/DMO statement and the published figures at [Current Data \(dmo.gov.uk\)](https://dmo.gov.uk)

K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt.

- The Council exceeds the £25,000 threshold and therefore did not declare itself exempt.

L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.

- The authority maintains a website which is regularly updated.
- In general, all required information is published. The council exceeds the £25,000 threshold and is not subject to the [Transparency Code for Smaller Authorities 2015](#), although I would recommend following the requirements as best practice.
- A comprehensive list of policies and procedures is available on the website.

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set?)

- The Council approved the dates of 17/6/24-26/7/24 at the June 2024 meeting, and this was minuted. A notice was displayed on the noticeboard and is also available on the website. The announcement date was 14th June 2024.

N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR page 1 Guidance Notes)

- The Council met this requirement.

O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

- The Council is not a Trustee – not applicable.

Other matters not covered above:

- I would recommend that the Council reviews the 2025 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2025/26 audit, in particular relating to 'Digital & Data Compliance', and the requirement for an IT policy. A summary of the changes and the guide itself can be viewed at [Practitioners' Guide 2025](#).
- The 2023/24 Internal Audit AGAR page 3 contained 3 'no' responses which the Council should have considered when responding to the Governance Statement and answered 'no' to assertions 1 and 3 as mentioned by the External Auditor in their report and certificate.
- This is now the 3rd year that I have conducted the Internal Audit for Barham PC. I would recommend that you review your Internal Audit provision and obtain quotes from 3 providers in the same way that you would every 3 years for any other contract.

This report should be submitted along with the Annual Internal Audit Report 2024/25 to the full council for review and consideration, prior to completing the Annual Governance Statement.

If you have any questions, please do not hesitate to ask.

Deborah O'Brien CILCA PIALC

29th May 2025