



Hardcastle Burton LLP

Barley Parish Council
Internal Audit Report
Year ended: 31 March 2026

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To the management of Barley Parish Council

The purpose of this report is to highlight the work undertaken during our internal audit for the year ended 31 March 2026. It is also used as a report to the management to meet the criteria detailed in "Governance and Accountability in Local Councils in England - A Practitioners Guide"

We would be grateful if you would review this document and reply with any comments you have regarding the points raised.

Finally, we would like to express our thanks to all members of the council's staff who assisted us in carrying out our work.

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<u>Internal Control Objective</u>	<u>Work Undertaken</u>	<u>Satisfactory</u>	<u>Recommendation</u>	<u>Response</u>
Appropriate accounting records have been properly kept throughout the financial year.	We reviewed the cashbook, schedule of receipts, and expenditure, and used directional testing and sampling to check for accuracy of transactions (see below).	☑	No recommendations provided. The current process system to be sufficient.	
This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	A sample of payments were selected from the cashbook and traced back to original documentation. The castings, VAT calculations and cashbook analysis were verified to ensure payments have been correctly recorded.	☑	No recommendations provided. The current process system to be sufficient.	
	We reviewed the 'Financial Regulations' policy to establish the procedures for receipt of invoices, agreement of invoice detail, and confirmation of goods / services delivery.	☑	No recommendations provided. The current process system to be sufficient.	
	We reviewed the 'Financial Regulations' policy to check for effective segregation of duties procedures related to cheque-writing, set-up of online payments, and the release of payments.	☑	No recommendations provided. The current process system to be sufficient.	
	We checked the VAT reclaims prepared during the year for timely submission, and confirmed they accurately reflected the underlying records with HMRC requirements.	☑	No recommendations provided. The current process system to be sufficient.	
This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	We reviewed risk registration documents to ensure BPC had prepared and formally adopted, at least once annually, an appropriate and comprehensive register of risks, both regular and <i>ad-hoc</i> .	☑	No recommendations provided. The current process system to be sufficient.	
	We confirmed, with reference to the insurance policy schedule, the appropriateness of the insurance cover in place for land, buildings, public liability, employers' liability, employees', liability business interruption, and cyber security.	☑	No recommendations provided. The current process system to be sufficient.	
	We ensured, by reference to the risk register, appropriate arrangements are in place for monitoring of play areas and open spaces, including reviews by appropriately qualified individuals.	☑	No recommendations provided. The current process system to be sufficient.	
	We reviewed, with reference to the risk documentation, the effectiveness of internal control carried out by the authority	☑	No recommendations provided. The current process system to be sufficient.	
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	We established the precept for the coming year (2026-27) had been reviewed by the full authority	☑	No recommendations provided. The current process system to be sufficient.	
	We reviewed the current year budget reports to check these are prepared and submitted to the authority / committee(s) periodically throughout the year, with appropriate commentary on variances.	☑	No recommendations provided. The current process system to be sufficient.	
	We reviewed the budget performance as at the end of the financial year, and established explanations for any significant variances: increases in income due to increased rental income from Hall, increased value of VAT reclaims, and recovery of payments made on behalf of BP Town House. Expenses increased due to repairs for town house, and increased spending on Paistow Play Area and installation of speed camera.	☑	No recommendations provided. The current process system to be sufficient.	
	We ensured the authority considered the establishment of specific earmarked reserves, reviewed as part of the budgetary assessment process. This was supported by the existence of the Townhouse Sinking Fund.	☑	No recommendations provided. The current process system to be sufficient.	
	We found the precept received in the accounts matched the prior-year submission form to the Local Authority.	☑	No recommendations provided. The current process system to be sufficient.	

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	A sample of receipts were selected from bank statements and traced to source documentation. The cashbook analysis, VAT calculation and casting were verified to ensure income was correctly recorded.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed that appropriate, signed tenancy agreements exist for allotment holders. However, no register of tenants was maintained for 2025-26.	<input type="checkbox"/>	To keep a register of tenants for allotments.	
	We confirmed a lease agreement is in place for the club room.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed the lease and rent for the Club Room was reviewed in accordance with the terms of the lease.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed that, with reference to 'Receipts Monitoring' in BPC's risk assessment, where amounts were receivable on set dates (such as the lease rent), that appropriate controls are in place to identify income due, and when it is received / banked	<input type="checkbox"/>	Documentation of the receipt monitoring process to be completed in the Council's Financial Risk Assessment. For example, use a debtor ledger in SageOnline.	
Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	Not Covered - No work performed as all payments / income are made via the bank account. RFO has confirmed this fact.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	We checked whether formal contracts of employment were in place for all staff. We checked for any confirmatory letters setting out any changes to contracts. We received contracts for all members of staff on payroll.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed, per the Financial Regulations policy, there are appropriate procedures in place for the payment of member's allowances and deduction of any tax liability	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We checked, for employees for which we had a contract, whether their salary was calculated in accordance with the approved spinal point on the National Joint Council (NJC), in accordance with their contractual terms.		Where NALC spinal points are used as the basis to calculate monthly wages, please ensure the correct rate is used. Ensure the hourly rate of pay in employee contracts are correct.	
	We ensured that tax codes are being applied to each employee. We could not, however, conclude the 'appropriateness' of each tax code due to not being privy to the financial circumstances for each employee.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We established that the payroll software is up-to-date (HMRC software)	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	Payroll reports obtained for year and compared to payments made out of bank. PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	

Asset and investments registers were complete and accurate and properly maintained.	We ensured the authority maintained a formal asset register, and compared to previous year.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We inspected the asset register, verifying the purchase cost / book value was recorded for each asset	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We checked for additions and disposals in both the current and previous year per the asset register, and confirmed there were no additions / disposals.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We checked the asset value reported per the AGAR Section 2 Line 9 for the current and previous year matched the asset register. This was not the case due to an omission of goal posts, and duplication of fencing asset. This was, however, later adjusted by BPC, and now agrees.		Due to the errors identified, we recommend two councillors oversee the review of the asset register: one to prepare and undertake a preliminary check, and another councillor to sense check the figures independently.	
	We compared the asset register with the insurance policy schedule, verifying that the total insured amount per the asset register matched that per the insurance schedule. We confirmed each asset was either appropriately insured or 'self-insured' by the Authority.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
Periodic bank account reconciliations were properly carried out during the year.	We reviewed the accuracy of the year-end bank reconciliation with references to the bank statements, checking for any missing or misposted entries.		BPC used the 30th March bank balance to complete the bank reconciliation for 31st March. As a result, a transaction was missed off in bank reconciliation. Recommendation is therefore given to use the statement balance as per the date of the bank reconciliation	
	Checked the procedures for bank reconciliation reviews, and whether they were subject to independent scrutiny. While not completed every month, bank reconciliations are performed in Sage using information drawn from bank feeds.		Ensure bank reconciliations are reviewed, independently scrutinised, and signed off by Council members routinely.	
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.	Not Covered - Annual turnover does not exceed £200,000, and BPC do not have any debtors or creditors as BPC use the cash basis of accounting.	N/A		

If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt.	Not Covered - The authority did not certify itself as exempt from a limited assurance review in 2025/26. This is because the gross income and expenses were above £25k.	N/A		
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.	We checked the Council's website: https://www.barley-village.co.uk/governance . Ensured all published documents are free to access and generally up-to-date.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations	We confirmed that a copy of 'Exercise of Public Rights' for 2024/25 was provided by the authority and confirmed that it was published on their website.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
The authority has complied with the publication requirements for 2024/25 AGAR.	We have checked the publication requirements for 2024/25 AGAR against the documents published per the Council website.	<input type="checkbox"/>	<p>Screenshot / screen-record the website at the time of uploading the publication documents to support the publication dates.</p> <p>Further, make note in meetings and meeting minutes confirmation of the dates for which documents are to be published.</p>	
The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	We examined the client data protection policy, and no evidence has come to light to suggest any action contrary to this policy during the period of account.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
Trust funds (including charitable) - the Council met its responsibilities as a trustee.	We confirmed, via the Charity Commission website, that all charities for which BPC is a trustee (Barley Town House) are up-to-date with their filing requirements	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed that BPC is the sole trustee for Barley Town House, per the Charity Commission website.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed that, with reference to the Barley Town House trust deed, and the financial accounts, that the Council acted in accordance with the trust deed.	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We inspected the charity minutes and accounts, confirming these were recorded separately to those of the Council	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	
	We confirmed that the level of activity for Barley Town House were similar to the previous year, so presented a normal level of risk, and so required no further action	<input checked="" type="checkbox"/>	No recommendations provided. The current process system to be sufficient.	



Conclusion

Our internal audit of Barley Parish Council indicates that sufficient controls are in place. Several recommendations have been given and the authority should carry out the actions identified in the risk assessment as planned.