



Hardcastle Burton LLP

# Barley Parish Council Internal Audit Report Year Ended 31 March 2025

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## **Hardcastle Burton LLP**

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 2025. 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.

**Hardcastle Burton LLP**

| <u>Internal Control Objective</u>  | <u>Work Undertaken</u>  | <u>Satisfactory</u> | <u>Recommendation</u>  | <u>Response</u> |
|--|---|---------------------|--|-----------------|
| Appropriate accounting records have been kept properly throughout the year.  | The cashbook, schedule of receipts and expenditure were reviewed and no errors were identified. The bank reconciliation was agreed and a sample of entries from the cashbook were traced back to invoices/receipts (see below). | Y                   | No recommendations made. The current bookkeeping process deemed 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.             | Y                   | The current accounting system is deemed sufficient. All items traced to source documentation and calculations agreed as correct.   |                 |
| The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.                                | A copy of the risk assessment was obtained from the council which was revised in March 2025. This was reviewed and considered to be appropriate.  | Y                   | Current risk assessment is detailed and in line with our expectation for a council of this size. For subjects that have low/medium risk, appropriate precautions have been declared to minimise any impact on the council. No high risks noted on risk assessment. |                 |
| The precept rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.     | Evidence of the annual precept budget was viewed and considered adequate. AGAR return shows that income more than covered costs and balances carried forward up £10,350 compared to start of year.                              | Y                   | Budget process in line with the guidance published in "Governance and Accountability for Local Council's". As part of the finance review, explanation of variances has been done as suggested to evaluate any important changes.                                   |                 |
| 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.                           | Y                   | No recommendations made. The existing system is deemed sufficient.   |                 |

| <u>Internal Control Objective</u>  | <u>Work Undertaken</u>  | <u>Satisfactory</u> | <u>Recommendation</u>  | <u>Response</u> |
|--|---|---------------------|--|-----------------|
| Petty cash payments were properly supported by receipts and, all petty cash expenditure was approved and VAT appropriately accounted for.  | No work performed as petty cash balance not maintained. All income is banked through the bank account.  | Not Covered         | N/A  |                 |
| Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.  | Payroll reports obtained for year and compared to payments made out of bank. PAYE and NI requirements were properly applied.  | Y                   | No recommendations made. The payroll report is sufficient.                     |                 |
| Asset and investment registers were complete and accurate and adequately maintained.   | Asset register obtained and compared to previous year. Insurance values compared to book values and only one issue of insurance value being below original cost in respect of marquees, although it is noted that a number of marquees are to be disposed of.   | Y                   | Ensure insurance sums for marquees are adequate.                               |                 |
| Periodic bank reconciliations were properly carried out.   | Bank reconciliations not recorded monthly on sage however client has sent email detailing that they complete monthly reconciliations which are signed off when the bank statement is signed off. They use bank feeds, making sure balances per bank and per account match every time they do any input. | Y                   | Bank reconciliations should be documented monthly on either sage or excel.     |                 |
| 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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were correctly recorded. | Accounting statements reviewed along with variance analysis and both deemed sufficient for recording transactions and reviewing performance. Accounts prepared on correct basis and cashbook scrutinised as part of receipts and payments testing (see above).  | Y                   | No recommendations made as current accounting system is considered sufficient. |                 |

|  |   |             |                         |  |
|--|---|-------------|-------------------------|--|
| 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 authority did not certify itself as exempt from a limited assurance review in 2024/25. This is because the gross income and expenses were above £25k.   | Not Covered | N/A                     |  |
| The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with relevant legislation.            | Checked the Council's website: <a href="https://www.barley-village.co.uk/governance">https://www.barley-village.co.uk/governance</a> . Ensured all published documents are free to access and up to date at the time of the internal audit. | Y           | No recommendations made |  |
| The authority, during the previous year (2023/24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations. | A copy of Exercise of Public Rights for 2023/24 was provided by the authority and confirmed that it was published on their website.   | Y           | No recommendations made |  |
| The authority has complied with the publication requirements for 2023/24 AGAR.   | We have checked the publication requirements for 2023/24 AGAR and all requirements have been satisfied.   | Y           | No recommendations made |  |



# 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.