

# HEELIS&LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Lavenham 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: £201,804    Expenditure: £188,623    Ear Reserves: £122,373    General: £195,928

#### AGAR 2024 / 2025 Completion:

Section One: [Not submitted](#)

Section Two: [Not submitted](#)

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. 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: [6<sup>th</sup> March 2025 \(Ref: 11\).](#)

Financial Regulations in place: [Yes](#)

Reviewed: [8<sup>th</sup> August 2024 \(Ref: 13\) & 6<sup>th</sup> March 2025 \(Ref: 11\).](#)

VAT reclaimed during the year: [Yes](#)

Registered: [No](#)

General Power of Competence: [No](#)

Policy Review Schedule in place: [No](#)

*Tenders for the Green Maintenance and Street Cleaning contracts have been advertised on the Contract Finders website on the 9<sup>th</sup> January 2025.*

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Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

## 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 – ZB424319 Expiry 27/10/25

### **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 6<sup>th</sup> March 2025 (Ref: 11).*

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 as meeting on 3<sup>rd</sup> October 2024 (Ref: 13) notes.*

Fidelity Cover: £500,000

*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: [www.lavenham.gov.uk](http://www.lavenham.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 13(1a&b)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.

*2024 Annual Return, Section One Published – Yes*

*2024 Annual Return, Section Two Published – Yes*

*2024 Annual Return, Section Three Published – Yes*

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 – wrong form used*

Period of Exercise of Public Rights

Publication Date:???? Start Date: 03/06/2024 End Date: 12/07/2024

## Budgetary controls

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

Precept: £119,000 (2024 / 2025) Date: 14<sup>th</sup> December 2023 (Ref: 14a).

Precept: £122,332 (2025 / 2026) Date: 5<sup>th</sup> December 2024 (Ref: 9)

*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.*

<b>Income controls</b>	<p>Precept and other income, including credit control mechanisms</p> <p><i>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.</i></p>
<b>Petty Cash</b>	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>
<b>Payroll controls</b>	<p>PAYE and NIC in place where necessary.  Compliance with Inland Revenue procedures  Records relating to contracts of employment</p> <p>PAYE System in place: <b>Yes – Seago &amp; Stopps</b>  Employer PAYE Reference: 475/KA60482  P60's issued: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year-end process.</i></p> <p><i>Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 27<sup>th</sup> February 2023. The next due date is 1<sup>st</sup> November 2025 .</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 6<sup>th</sup> June 2024 (Ref: 13) &amp; 7<sup>th</sup> November 2024 (Ref: 10).</i></p>
<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets  Cross-checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £694,079. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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.</i></p> <p><i>Reconciled Bank Balances were confirmed as:</i></p> <table> <tr> <td><i>Barclays Community</i></td><td><i>£ 3,242.82</i></td></tr> <tr> <td><i>Barclays Premium</i></td><td><i>£394,845.94</i></td></tr> </table> <p><i>The council has an outstanding debt of £66,059.55 with the PWLB.</i></p> <p><b><i>Recommendation (1):</i></b> <i>The council should consider the limits of the Financial Services Compensation Scheme.</i></p>	<i>Barclays Community</i>	<i>£ 3,242.82</i>	<i>Barclays Premium</i>	<i>£394,845.94</i>
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<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£195,928) and have identified earmarked reserves of £122,373 in their year-end accounts.</i></p>				
<b>Year-end procedures</b>	<p>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.</p> <p><i>End-of-year accounts are prepared on an Income &amp; Expenditure basis. Creditors and Debtors are identified within the year-end accounts.</i></p>				
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>				
<b>Internal Audit Procedures</b>	<p><i>The 2024 Internal Audit report was considered by the Council at a meeting held on 9<sup>th</sup> May 2024 (Ref: 12f).</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 9<sup>th</sup> May 2024 (Ref: 12f).</i></p> <p><i>Heelis &amp; Lodge were appointed as Internal Auditor at a meeting held on 6<sup>th</sup> March 2025 (Ref: 11).</i></p>				

## **External Audit**

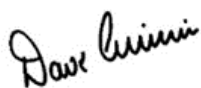
*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 9<sup>th</sup> May 2024 (Ref: 12f).*

*The External Auditor's report was considered at a meeting held on 5<sup>th</sup> September 2024 (Ref: 12).*

*There were no matters arising from the External Audit.*

## **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 9<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 his assistance during the course of the audit work and for the high quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC**

**Heelis & Lodge**

8<sup>th</sup> May 2025

# HEELIS&LODGE

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

## INVOICE

**To:**

Lavenham Parish Council
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Invoice No: HLD2433
Date: 8 <sup>th</sup> May 2025

Details	Quantity	Amount (£)	Total (£)
To carry out the Year-end Internal Audit for Lavenham Parish Council for the year ended 31 March 2025.	1	400.00	400.00
Total			400.00

**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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