Internal Audit Report for Springfield 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: £536,371.51 Expenditure: £559,015.52 Reserves: £385,129.86

2025 AGAR Completion:
Section One: Not yet completed
Section Two: Yes (draft figures) – to be approved by council
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 Council hold the General Power of Competence and LGAs137 does not apply.

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: 12/5/2025 (Ref: 9.a) and 20/5/2024 (Ref: 013/24)
Financial Regulations in place: Yes
Reviewed: 12/5/2025 (Ref: 9.b) and 1/7/2024 (Ref: 035/24)

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VAT reclaimed during the year: Yes   Registered: Yes (Ref: 570416945)

Period:	Amount to pay/reclaim:
01/04/2024 – 30/06/2024	£3.09
01/07/2024 – 30/09/2024	(£912.74)
01/10/2024 – 31/12/2024	(£1,381.85)
01/01/2025 – 31/03/2025	(£683.46)

General Power of Competence: Yes   Reviewed: 12/5/2025 (Ref: 10)
Adopted: 20/5/2024 (Ref: 019/24.03)

Policy Review Schedule in place: No

There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.

The Council reviewed the following documents during the year of audit:

20/5/2024

- *Code of Conduct (Ref: 102/24)*
- *Committee Terms of Reference (Ref: 014/24)*

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   Ref: Z8697647

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
Link: https://www.springfield-pc.gov.uk/privacy-notice/

Insurance was in place for the year of audit (valid 21/2/2025 continuous cover), with a review being undertaken on 1/7/2024 (Ref; 033/24.5). The Risk Management Policy was reviewed at a meeting held on 3/3/2025 (Ref: 134/25).

It is noted in the Clerk's report for the meeting held on 12/5/2025 that there were a number of improvements to be made to internal controls. It is noted that the Council reviewed the number of bank signatories at a meeting held on 1/7/2024 (Ref: 040/24) and a review on the CCLA account, adding 2 additional councillors (Ref: 21/10/2024 – 082/24).

Statement of Internal Controls in place: No

Recommendation: *To adopt a Statement of Internal Control.*

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: £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: https://www.springfield-pc.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 15** councils must publish on their website:

External audit report
2024 Annual Return, Section One Published – Yes
2024 Annual Return, Section Two Published – Yes
2024 Annual Return, Section Three Published – Yes

Under **The Accounts & Audit Regulations** 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: 11/6/2024 Start Date: 12/6/2024 End Date: 23/7/2024

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on their website.

Publication Status:

Year of Audit	Section 1	Section 2	Section 3
2023-2024	Yes	Yes	Yes
2022-2023	Yes	Yes	Yes
2021-2022	Yes	Yes	Yes
2020-2021	Yes	Yes	Yes
2019-2020	No	No	Yes

The Council have met the publication requirements with the exception of the financial year 2019-2020 sections 1 and 2.

Recommendation: *The Council currently have an 'Audit Document' section on their website and some audit documents are filed here. Audit documents are also filed under 'Finance + year'. It is recommended for clarity that the Council use one system of filing rather than both.*

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £238,602 (2025-2026) Date: 9/12/2024 (Ref: 098/24)
Precept: £227,240 (2024-2025) Date: 6/1/2024

Effective 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 a sample of income received and banked cross referenced with the Cash Book and bank statements.

Hall hire fees were reviewed at a meeting held on 2/12/2024 (Ref: 036/24).

Petty Cash

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. There have been no transactions during the year of audit. The Council have resolved to not use petty cash in the future.

Recommendation: *To write the petty cash amount back into the accounts for the 2025-2026 financial year.*

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment and pensions

PAYE System in place: Yes
Employer's Reference: 083/CH412
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been produced as part of the year end process.

Eligible employees have joined the nominated pension scheme.

It is noted that the Council undertook a review of salaries at a meeting held on 15/5/2024 (Ref: 006/24).

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/insurance value. The total value of assets are recorded at £5,549,990. The asset register was not available for the audit. The Council should ensure that the figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. It is noted that there has been no movement in assets during the financial year.

Recommendation: *The Council should ensure that assets purchased or disposed of during the year of audit are included in the 2024-2025 asset register.*

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

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.

Bank Balances at 31 March were confirmed as:

Barclays Current	*xxxx9404*	*£50,000.00*
Barclays BP	*xxxx6332*	*£37,527.07*
CCLA PSDF	*xxxx7477*	*£297,519.94*
Petty Cash		*£82.85*

The Council had outstanding (PWLB) loans with the UK Debt Management Office (DMO) at the year end (verified by statement at 31/3/2025).

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

The Council have adequate general reserves (£344,310.24) and have identified earmarked reserves of £45,637.59 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.

Local Council Tax Support Grant is excluded from Box 2: NA
Balance Sheet is correct: Yes
Trial Balance is correct: Yes

Sole Trustee The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2024 Year End Internal Audit report was considered by the Council at a meeting held on 20/5/2024 (Ref: 016/24).

A review of the effectiveness of the Internal Audit was carried out on 20/5/2024 (Ref: 017/24).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 12/5/2025 (Ref: 13.a) and 20/5/2024 (Ref: 017/24).

External Audit *The Council formally approved the 2024 AGAR at a meeting of the full Council held on 20/5/2024 (Ref: 019/24).*

There was no evidence in the minutes that the 2023-2024 External Auditor's report was considered at a meeting.

Recommendation: *To formally review the External Auditor's report and record the review and any actions arising in the minutes.*

The following matters were brought to the attention of the Council:

2 External auditor's limited assurance opinion 2023/24

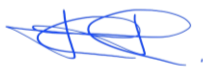
Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The smaller authority has disclosed that it made proper provision during the year 2023/24 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct.

The AGAR was not accurately completed before submission for review. The smaller authority has correctly restated the current year Section 2, Boxes 8 and 9 figure to reclassify investments which had previously been erroneously treated as long term investments to short term investments. However, we are aware that the prior year AGAR also included erroneously categorised investments and so Boxes 8 & 9 for the prior year should also have been restated.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 20/5/2024. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- **Recommendation:** For the presiding Chair to initial each page of the minutes in addition to signing and dating the final page, if minutes are kept in a loose-leaf format.
- 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 their assistance during the course of the audit work and the quality of documentation provided for the audit.



Heather Heelis
Heelis & Lodge
20 June 2025

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