

# HEELIS&LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Dedham 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: £104,860    Expenditure: £125,479    Ear Reserves: £225,527    General: £45,181

#### AGAR 2024 / 2025 Completion:

Section One: **Yes - signed**

Section Two: **Yes - signed**

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

*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: **13<sup>th</sup> May 2024 (Ref: 24/30).**

Financial Regulations in place: **Yes**

Reviewed: **13<sup>th</sup> May 2024 (Ref: 24/31) & 3<sup>rd</sup> February 2025 (Ref: 175.1)**

VAT reclaimed during the year: **Yes**    Registered: **No**

General Power of Competence: **Yes**    Adopted: **3<sup>rd</sup> June 2024 (Ref: 24/43).**

Policy Review Schedule in place: **No**

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

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## 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 – ZA093236 Expiry 15/01/2026

### **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. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.*

**Recommendation (1):** *To include a reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: No

*Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 13<sup>th</sup> May 2024 (Ref: 24/32).*

Statement of Internal Controls in place: No

**Recommendation (2):** *To adopt a Statement of Internal Control.*

*The Council have effective 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 per the meeting of 8<sup>th</sup> April 2024 (Ref: 24/13).*

Fidelity Cover: £150,000

*The level of Fidelity cover is below the recommended guidelines of year-end balances plus 50% of the precept.*

**Recommendation (3):** *To review Fidelity Cover in line with 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.dedhamparishcouncil.co.uk](http://www.dedhamparishcouncil.co.uk)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils.*

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 – No*

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 – No*

## Budgetary controls

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

Precept: £????? (2024 / 2025) Date: 6<sup>th</sup> December 2023 (Ref: 135.2)  
Precept: £43,574 (2025 / 2026) Date: 13<sup>th</sup> January 2025 (Ref: 153)

*Good budgetary procedures are in place. The precept decision was agreed in full council and minuted, but the amount was omitted. 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 income received and banked cross-referenced with the Cash Book and bank statements.*

## Petty Cash

Associated books and established system in place

*A satisfactory expense system is in place, along with supporting paperwork. No Petty Cash held.*

## Payroll controls

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

PAYE System in place: **Yes – DM Payroll Service**  
Employer PAYE Reference: 475/GA82268  
P60's issued: Yes

*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.*

*No eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance to the Pensions Regulator was not evidenced in the Audit file.*

## 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. The total value of assets is recorded at £405,197. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

*The asset register was approved at the meeting on 13<sup>th</sup> May 2024 (Ref: 24/39).*

## 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.*

*Reconciled Bank Balances were confirmed as:*

<i>Barclays Community</i>	<i>£ 964.05</i>
<i>Barclays Business Premium</i>	<i>£269,744.05</i>

***Recommendation (4):*** *The council should consider the limits of the Financial Services Compensation Scheme.*

## Reserves

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

*The Council have adequate general reserves (£45,181) and have identified earmarked reserves 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 is prepared on a Receipts & Payments basis.*

**Sole Trustee** The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2024 Internal Audit report was not considered by the Council at a meeting held during the year of Audit.*

**Recommendation (5):** *It is a requirement to review the Internal Report when received and minute the actions that the council is to take.*

*A review of the effectiveness of the Internal Audit was carried out on 13<sup>th</sup> May 2024 (Ref: 24/29).*

*Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.*

**Recommendation (6):** *It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.*

**External Audit** *The Council formally approved the 2024 AGAR at a meeting of the full Council held on 13<sup>th</sup> May 2024 (Ref: 24/29).*

**Recommendation (7):** *It is a requirement to agree Sections 1 and 2 of the AGAR separately and record in the minutes accordingly.*

*The External Auditor's report was not considered at a meeting held during the year of Audit.*

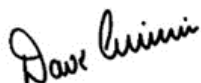
*The following matters were brought to the attention of the Council:*

- *Section 1, Assertion 4 not completed correctly*
- *Incorrectly answered Section 1 Assertion 7*
- *AGAR not dated*
- *Did not make proper provision in 2024/25 for the exercise of public rights.*

**Recommendation (8):** *It is a requirement that the External Auditor's report be reviewed at a meeting which is to be recorded in the minutes along with any actions to be taken.*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 13<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 her 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**

31<sup>st</sup> May 2025

# HEELIS&LODGE

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

## INVOICE

**To:**

Dedham Parish Council  
The Gem  
Nayland Road  
Great Horksley  
Colchester  
CO6 4HA

Invoice No: HLD2452

Date: 31<sup>st</sup> May 2025

Details	Quantity	Amount (£)	Total (£)
To carry out the Year-end Internal Audit for Dedham Parish Council for the year ended 31 March 2025.	1	320.00	320.00
Total			320.00

**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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