



Internal Audit Report

This narrative internal audit report is to be read in conjunction with the Annual Internal Auditor's Report for the Annual Governance and Accountability Return.

Council:	Holbeach Parish Council
Internal Auditor:	John Kilcoyne
Year Ending:	31 st March 2025
Date of Report	17 th May 2025

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of Holbeach Parish Council

This report was compiled in May 2025 and includes inspection of

- the parish council website
- documents and other information requested from the Clerk to Council

relating to council business between April 2024 and March 2025. One remote meeting was held with the Clerk to Council.

Attention is drawn to the internal auditor's report from 2023-2024. Evidence has been found on inspection that the majority of recommendations from this report has been acted upon. This narrative report for 2024-2025 is provided for full council for consideration alongside the Annual Internal Auditor's Report.

At the time of completion of this report, council has 10 seats filled with 8 vacancies. Council has an ongoing schedule of review of standing orders, financial regulations, other key documents. As reported in previous reports, appropriate accounting records are kept throughout the financial year, including financial risk assessments with internal controls, identification of s137 payments and appropriate recovery of VAT. Payroll continues to be managed inhouse with deductions for HMRC, NI and pension made appropriately. Declarations to the Pensions Regulator are up to date. Earmarked reserves are identified for specific purposes within the budget documentation and reviewed appropriately. Council minutes show regular detailed discussion, approvals and resolutions relating to finances. The annual budget and precept are approved by council as required.

Approval for the 2023-2024 AGAR was carried out correctly with the period available for the inspection of public records satisfactory. Examination of the minutes for June 2024 show that each section of the AGAR was approved in turn, in accordance with best practice and recommendations from the 2023-2024 internal auditor's report.

The clerk and council are once again to be commended for their diligence in taking account of earlier recommendations and for their achievement in meeting all the criteria required for the AIAR.

Council's responsibilities as a trustee

The AIAR for 2023-2024 reported as below for objective O:

	Yes	No	Not applicable	Explanation
O (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee			✓	No charitable trust

The internal auditor understands that the relationship between the council and the Carters Park Charity has changed, with trustee responsibilities and management in the process of being transferred to council. Charity meetings and accounts are held separately to council, and legal support has been commissioned in drafting new management agreements.

Based on the information provided, it is clear that this is a work in progress and council will continue to develop and monitor the relationship with the charity. The internal auditor is satisfied that council is approaching this transfer correctly and is meeting its responsibilities as a trustee. Assertion O for 2024-2025 is accordingly recorded as Yes.

Thanks are offered to the clerk to council for her assistance in the scrutiny of documents and council business prior to the completion of this report.

Yours faithfully,

J Kilcoyne

John Kilcoyne
Internal Auditor for Lincolnshire Association of Local Councils
17th May 2025

Annual Internal Audit Report 2024/25

Holbeach Parish Council

https://holbeach.parish.lincolnshire.gov.uk/

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. 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.	✓		
K. 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. (If the authority had a limited assurance review of its 2023/24 AGAR tick 'not covered')			✓
L. 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.	✓		
M. 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 (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 13/05/2025, 14/05/2025, 17/05/2025
Name of person who carried out the internal audit: J Kilcoyne
Signature of person who carried out the internal audit: [Signature]
Date: 17/05/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).
**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Bank Accounts - Details and Current Balances Start of year 01/04/24

Account Type : Ordinary						
Account Name	Account Type	Account Number	Sort Code	Last Reconciled Date	Last Reconciled Balance £	Current Balance £
1 Barclays Current Account	Ordinary	****4844	20-80-78	31/03/25	3,680.14	3,680.14
2 Barclaycard	Ordinary	*****2372		31/03/25	0.00	0.00
3 Barcays Saver account	Ordinary	****5394	20-80-78	31/03/25	13,496.01	13,496.01
4 CCLA	Ordinary	*****0001PC		31/03/25	329,278.51	329,278.51
TOTAL						£346,454.66

Bank reconciliation – pro forma

This reconciliation should include all bank and building society accounts, including short term investment accounts. It must agree to Box 8 in the column headed "Year ending 31 March 2025" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unrepresented cheques should be entered as negative figures.

Name of smaller authority: Holbeach Parish Council

County area (local councils and parish meetings only): Lincolnshire

Financial year ending 31 March 2025

Prepared by (Name and Role): San Hearey Clerk/FPO

Date: 14/04/2025

Balance per bank statements as at 31/03/25	£	£
Barclays Current	3,680.14	
Barclays Saver	13,496.01	
CCLA	329,278.51	
		346,454.7
Petty cash float (if applicable)		
Less: any unrepresented cheques as at 31/03 (enter these as negative numbers)		
[add more lines if necessary]		
Add: any un-banked cash as at 31/03		
Net balances as at 31/03/25 (Box 8)		346,454.7

Explanation of variances – pro forma

Name of smaller authority: **Holbeach Parish Council**
County area (local councils and parish meetings only): Lincolnshire

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;

	2023/24 £	2024/25 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority
1 Balances Brought Forward	165,417	245,680				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	307,693	330,080	22,387	7.28%	NO		
3 Total Other Receipts	86,506	91,781	5,275	6.10%	NO		
4 Staff Costs	155,908	173,566	17,658	11.33%	NO		
5 Loan Interest/Capital Repayment	5,865	5,865	0	0.00%	NO		
6 All Other Payments	152,163	141,193	-10,970	7.21%	NO		
7 Balances Carried Forward	245,680	346,918				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	240,524	346,455				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,963,858	1,911,900	-51,958	2.65%	NO		
10 Total Borrowings	77,454	75,124	-2,330	3.01%	NO		
Rounding errors of up to £2 are tolerable							
Variances of £200 or less are tolerable							
BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)							

Current level of Financial Reserves (At 1st April 2025) The current total level of Reserves is **£346,916.71** General Reserves of **£163,866.71** and **£183,050.00** in Earmarked Reserves.

General Reserves	£163,866.71
Plant & Machinery Fund	£6,000
Elections	£7,500
Playground fund	£8,000
Property professional fees	£4,000
Business rates	£1,000
Council Tax	£300
Battlefields	£12,000
HR	£10,000
Property repairs	£4,000
Cemetery Chapels	£39,900
Property project	£50,000
Tree work	£9,800
SID	£1,750
Cleaning	£3,100
Railings PT cemetery	£5,000
Camera	£700
Tractor shed	£20,000

Smaller authority name: HOLBEACH PARISH COUNCIL

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement <u>10th June 2025</u> (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2025, these documents will be available on reasonable notice by application to:</p> <p>(b) <u>Jan Hearsey Clerk/RFO. Coubro Chambers, 11 West End, Holbeach. PE12 7LW. Tel: 01406 426739. clerk@holbeachpc.com</u></p> <p>commencing on (c) <u>Wednesday 11 June 2025</u></p> <p>and ending on (d) <u>Tuesday 22 July 2025</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westgate Circus Canary Wharf London E14 4HD sba@pkf-l.com</p> <p>5. This announcement is made by (e) <u>Jan Hearsey Clerk/RFO</u></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

We acknowledge as the members of:

HOLBEACH PARISH COUNCIL

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed		"Yes" means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
	✓		has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

Section 2 – Accounting Statements 2024/25 for

HOLBEACH PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	165,417	245,679	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	307,693	330,080	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	86,506	91,781	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	155,908	173,566	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	5,865	5,865	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	152,163	141,193	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	245,679	346,917	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	240,524	346,455	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	1,963,858	1,911,900	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	77,454	75,124	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
For Local Councils Only	Yes	No	N/A
11a. Disclosure note re Trust funds (including charitable)	✓		
11b. Disclosure note re Trust funds (including charitable)	✓		

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YYYY