

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Chelmondiston Parish/Town Council – 2025/2026

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 2025. The following recommendations/comments have been made:

Income: £74,098.29 Expenditure: £59,225.94 Reserves: £119,146.99

2026 AGAR Completion:

Section One: **No**

Section Two: **Yes in draft**

Annual Internal Audit Report 2025/2026: **Yes**

Certificate of Exemption: **No**

Proper book-keeping Cash Book and reconciliation of financial transactions in Cash Book with 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 documentation 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: *6th May 2025 (Ref: 19a).*

Financial Regulations in place: **Yes**

Reviewed: *6th May 2025 (Ref: 19b).*

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

Submission Period: Amount:
01/04/2024-31/03/2025 *£2,649.08*

General Power of Competence: **No**

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

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM

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 – ZA152470 Expiry 06/12/2026

Data Protection

The General Data Protection Regulations came into force on 25 May 2018. It is likely that this will affect how the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council has included this in their Risk Assessment.

Insurance was in place for the year of the audit (valid 01/10/2025 to 30/09/2026). The Risk Assessment was reviewed at a full Council meetings held on 6th May 2025 (Ref: 19c) & 2nd September 2025 (Ref: 16).

Statement of Internal Controls in place: Yes

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.

Fidelity Cover: £250,000

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

Transparency

Compliance with **Assertion 10**:

Website link: www.chelmondiston-pc.gov.uk

Privacy Policy published: Yes

Link: <https://chelmondiston-pc.gov.uk/assets/Chelmondiston-Parish-Council-Privacy-and-Cookie-Policy.pdf>

IT Policy in place: No

To fully comply with the new requirements, it is recommended that the Council consider adopting the model IT policy from NALC (link below). It is noted that whilst there is no requirement to publish the policy on the Council's website, it is good practice to do so.

<https://www.nalc.gov.uk/resource/nalc-publishes-new-it-policy-template-to-support-parish-and-town-councils-in-meeting-governance-standards.html>

Recommendation (1): To adopt the NALC model IT Policy.

Data Protection Policy in place: [Yes](#)
Data Protection Policy published: [Yes](#)
Link: <https://chelmondiston-pc.gov.uk/the-parish-council/gdpr/>

Accessibility Statement in place: [Yes](#)
Accessibility Statement published: [Yes](#)
Link: <https://chelmondiston-pc.gov.uk/accessibility-statement>

Generic Council email addresses for officials in place: [Yes](#)

Under **The Accounts & Audit Regulations**, councils must publish on their website:

Audited AGAR:
[2025 Annual Return, Section One Published – Yes](#)
[2025 Annual Return, Section Two Published – Yes](#)
[2025 Annual Return, Section Three Published – Yes](#)

Notice of period for the exercise of public rights (2025)
[Published – Yes](#)

Period of Exercise of Public Rights

Publication Date: 02/06/2025 Start Date: 03/06/2025 End Date: 14/07/2025

Notice of Conclusion of Audit (2025)
[Published – Yes](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** the council is required to display AGARs for the five years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-2025 on their website.

	Section 1	Section 2	Section 3 (Audited)
2020 - 2021	Yes	Yes	Yes
2021 - 2022	Yes	Yes	Yes
2022 - 2023	Yes	Yes	Yes
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have met the publication requirements.

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

The council's income and expenditure both exceed £25,000.

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

Precept: £33,702 (2025-2026) Date: 3rd December 2024 (Ref: 14d)

Precept: £?????? (2026-2027) Date: 6th January 2026 (Ref: 15c)

*Good budgetary procedures are in place. **The precept was agreed in full council, but the amount has not been 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

Income controls were checked, and a sample of income received and banked was cross-referenced with the Cash Book and bank statements.

Cash Associated books and established system in place

A cash float of £14 is held for skip days.

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 – SALC Payroll Services

Employer's Reference: 245/MA19919

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. **The last date of re-declaration of compliance to the Pensions Regulator was not provided in the Audit file.***

It is noted that the Council conducted a salary review at a meeting held on 2nd September 2025 (Ref: 14d).

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 are recorded at £38,613. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. The asset register was reviewed at meetings on 6th May 2025 (Ref: 19f) & 4th November 2025 (Ref: 15c).

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 as at 31st March were confirmed as:

<i>Lloyds Instant</i>	<i>£49,432.14 as at 9th March 2026</i>
<i>Lloyds Community</i>	<i>£19,625.37</i>
<i>Hinckley & Rugby BS</i>	<i>£50,075.48</i>
<i>Cash</i>	<i>£ 14.00</i>

The Council had no outstanding loans at the year-end.

Reserves

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

The Council has adequate general reserves (£68,808.18) and has identified earmarked reserves of £50,338.81 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 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 2024-2025 Internal Audit report was considered by the Council at a meeting held on 6th May 2025 (Ref: 16).

A review of the effectiveness of the Internal Audit was carried out on 6th May 2025 (Ref: 16).

Heelis & Lodge were appointed as Internal Auditor at meetings held on 6th May 2025 (Ref: 16) & 3rd March 2026 (Ref: 13c).

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Tel: 07732 681125
Email: heather@heelis.eu

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External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 6th May 2025 (Ref: 16)

The External Auditor's report was considered at a meeting held on 2nd September 2025 (Ref: 14c).

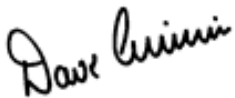
The following matters were brought to the attention of the Council:

The AGAR was not accurately completed:

- *Section 2 Box 9 of both years*
- *Section 1 Assertion 7*
- *Section 2 Box 9 did not agree with the asset register.*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 6th May 2025. 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.



Dave Crimmin
Heelis & Lodge
3rd May 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Jane Every
Chelmondiston Parish Council

Invoice No: HLD2512
Date: 3rd May 2026

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Chelmondiston Parish Council for the year ended 31 March 2026.	1	285.00	285.00
Total			285.00

Please make cheques payable to: H J Heelis

Bank Details: Account 92002930 Sort Code 40-47-80

NB Change to bank account details

Terms – 14 days

Thank you.

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