

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Hampsthwaite Parish 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: £331,147.10 Expenditure: £336,480.54 Reserves: £10,669.49

2026 AGAR Completion:

Section One: [Not yet completed](#)

Section Two: [Yes \(draft figures available\) – to be approved by council](#)

Annual Internal Audit Report 2025/2026: [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. LGAs137 and 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: [11/2/2025 \(Ref: 2025.037.d\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [11/2/2025 \(Ref: 2025.037.e\)](#)

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

Registered: [No \(VAT126\)](#)

Submission Period:	Amount:
01/05/2023-31/03/2024	£1,143.00
01/04/2024-31/03/2025	£3,003.85
19/02/2025-31/05/2025	£14,041.77

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

01/06/2025-31/08/2025 £5,754.37
01/09/2025-31/10/2025 £20,161.43
01/11/2025-28/02/2026 £11,912.95

General Power of Competence: No

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

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: ZA749668

Data Protection

The General Data Protection 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.

Insurance was in place for the year of audit (valid 1/6/2024-31/5/2025). There was no evidence found in the minutes that the Risk Assessment was reviewed at a full Council meeting during the year of audit. The last review took place on 11/2/2025 (Ref: 2025.37.b)..

Statement of Internal Controls in place: Yes

Recommendation: *To undertake and minute a review of the Risk Assessment and Internal Controls during the year of audit.*

The Council have satisfactory 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: <https://www.hampsthwaite-pc.org.uk>

Privacy Policy published: Yes

Link: https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/General%20Privacy%20Notice%202024.pdf

IT Policy in place: [Yes](#)
IT Policy published: [No](#)

Data Protection Policy in place: [Yes](#)
Data Protection Policy published: [Yes](#)
Link: https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/Information%20and%20data%20protection%20policy%202024.pdf

Publication Scheme published: [Yes](#)
Link: https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/Publication%20scheme%202024.pdf

Accessibility Statement in place: [Yes](#)
Accessibility Statement published: [Yes](#)
Link: https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/Information%20and%20data%20protection%20policy%202024.pdf

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

The Council have met the Assertion 10 requirements.

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
https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/12.%20Exercise%20of%20Public%20Rights%202024-2025.pdf

It is noted that the incorrect form was used for the 2025 audit. The form that has been used is the form that is returned to the External Auditor.

Recommendation: *To use the correct form for the 2026 Notice of Exercise of Public Rights.*

Notice of Conclusion of Audit (2025)
Published – Yes
https://www.hampsthwaite-pc.org.uk/_UserFiles/Files/Conclusion.pdf

Period of Exercise of Public Rights

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

Start Date: 1/7/2025 End Date: 11/8/2025

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are 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) or Certificate of Exemption
2020 - 2021	Yes	Yes	Yes
2021 - 2022	Yes	Yes	Yes
2022 - 2023	Yes	Yes	No
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have mostly met the publication requirements.

Recommendation: *The Council should publish the missing information.*

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure over £200,000 should publish on their website from 1 April 2015:

It is best practice, rather than a requirement for Councils with income or expenditure between £25,001 - £200,000 to follow the Transparency Code for Councils over £200,000. Guidance on documents that need to be published can be found at

<https://www.gov.uk/government/publications/local-government-transparency-code-2015/local-government-transparency-code-2015>

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £17,630 (2025-2026)

Date: 19/12/2024 (Ref: 078.f)

Precept: £61,000 (2026-2027)

Date: 13/1/2026 (Ref: 2026.016.k)

Satisfactory 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.

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

Cash	<p>Associated books and established system in place</p> <p><i>There have been no cash payments made during the year of audit.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment and pensions</p> <p>PAYE System in place: Yes Employer's Reference: 475/YE05873 P60s issued: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced (SALC). Supporting paperwork is in place and a P60 has been produced as part of the year end process.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 8/4/2025 (Ref: 2025.77.b), where the Clerks hours were increased and again on 12/8/2025 (Ref: 2025.159.b), where the National Pay Award was noted.</i></p> <p><i>Contracts of Employment and subsequent salary agreements are in place for all staff employed by the Council.</i></p>
Asset control	<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 are recorded at £157,722. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>
Bank Reconciliation	<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>Bank Balances at 31 March were confirmed as:</i></p> <p><i>Virgin Money xxxx0708 £14,974.19</i></p> <p><i>The Council had no outstanding loans at the year end.</i></p>
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves of £5,607.49 and have identified earmarked reserves of £5,062.00 in their year end accounts.</i></p>

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 plus action plan was considered by the Council at a meeting held on 10/6/2025 (Ref: 2025.118.b & c).

There was no evidence in the minutes that a review of the effectiveness of the Internal Audit was carried out during the year of audit.

Recommendation: *To carry out a review of the effectiveness of Internal Audit. This would normally be carried out as part of the review of the Statement of Internal Control.*

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 20/5/2025 (Ref: 2025.097.b).

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 10/6/2025 (Ref: 2025.118.f & g).

There was no evidence that the 2024-2025 External Auditor's report was considered at a meeting of the Council.

Recommendation: *To consider the External Audit report*

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

2 External auditor's limited assurance opinion 2024/25

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 AGAR was not accurately completed before submission for review:

- The Council has not restated the prior year figures in Boxes 2 and 3, as reported in the prior year External Auditor Report, these figures should read £13,630 and £12,735 respectively.

Other matters not affecting our opinion which we draw to the attention of the authority:

The smaller authority has confirmed that it has not complied with the governance Assertions in Section 1, Boxes 1, 2 and 6, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. This is consistent with the internal auditors response to Internal Control Objectives A and D and their detailed report.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 20/5/2025. 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.
- I would like to record my appreciation to the Clerk to the Council for their assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
18 June 2026

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