HEELIS&LODGE
Local Council Services • Internal Audit

Interim Internal Audit Report for Halstead 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:

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 accounts. The Council hold the General Power of Competence and LGAs137 does not apply. The cashbook is referenced providing a clear audit trail through the Rialtas Omega software. Supporting paperwork is in place and well referenced. No irregularities were found in the sample audit trails.

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: 10/2/2025 (Ref: 24/166)
Financial Regulations in place: Yes
Reviewed: 14/7/2025 (Ref: 057/25)

VAT reclaimed during the year: Yes
Registered: Yes Reg: 466076234

Submission Period:	Amount:
01/04/2025-30/06/2025	*(£4,444.11)*
01/07/2025-30/09/2025	*(£2,604.07)*
01/10/2025-31/12/2025	*(£456.24)*

General Power of Competence: Yes
Adopted: Yes (adopted 15/2/2021 – item 221)
Reaffirmed: 19/5/2025 – (item 004/25)

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:

14/4/2025
- *Dignity at Work Policy – Ref: 24/203*

19/5/2025
- *IT Policy – Ref: 020/25*

16/6/2025
- *Complaints Policy – Ref: 037/25*

14/7/2025
- *Press and Media Policy – Ref: 058/25*

8/9/2025
- *Equality & Diversity Policy – Ref: 091/25*

13/10/2025
- *All Risk Assessments – Ref: 104/25*
- *Health & Safety Policy – Ref: 105/25*

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: (Reg: Z2078738)

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 1/4/2025 – 31/3/2026). The Risk Assessment was reviewed at a meeting held on 13/10/2025 (Ref: 105/25). It is noted that the Risk Management Policy is due to be reviewed in February 2026.

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.

The Council appointed 2 councillors to oversee internal control measures at a meeting held on 3/10/2025 (Ref: 100/25.f). This will be carried out prior to the end of the financial year.

Fidelity Cover: £500,000

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.halsteadtowncouncil.org.uk/

Privacy Policy published: Yes
Link: https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2024/04/GDPR-privacy-policy-2024.pdf

IT Policy in place: Yes
IT Policy published: Yes
Link: https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2025/05/IT-Policy-2025.pdf

Data Protection Policy in place: Yes
Data Protection Policy published: Yes
Link: https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2024/04/Data-Protection-Policy-2024.pdf

Accessibility Statement in place: Yes
Accessibility Statement published: Yes
Link: https://www.halsteadtowncouncil.org.uk/accessibility/

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
https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2025/11/16-HTC-18625-Making-provision-for-the-exercise-of-public-rights-2024-25.pdf

Notice of Conclusion of Audit (2025)
Published – Yes (12/9/2025)
https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2025/09/Audit-2024-25.pdf

Period of Exercise of Public Rights

Publication Date: 17/6/2025 Start Date: 18/6/2025 End Date: 29/7/2025

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)
2020 - 2021	Yes	Yes	Yes
2021 - 2022	Yes	Yes	Yes
2022 - 2023	No	No	Yes
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have not 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:

Expenditure items over £500 (quarterly) published:
Yes (by month in the payments lists)
Link: https://www.halsteadtowncouncil.org.uk/council/financial-details/

Procurement data published (contracts exceeding £5,000): Not found
Recommendation: To publish details of all contracts exceeding £5,000

Grants awarded to voluntary, community or external bodies published:
Yes – it is noted that awards have only been published between 2018 - 2020
Link: https://www.halsteadtowncouncil.org.uk/financial-details/grants/
Recommendation: To publish details of all grants awarded for the 2025-2026 financial year.

Senior salaries (over £50,000) published: To be carried out at the year end

Land and car parks published: Yes – it is noted that the Fixed Asset register relates to the 2021-2022 financial year
Recommendation: To publish the latest version of the Fixed Asset register
Link:https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2022/06/Financial-accounts-Fixed-Assets-21-22.pdf

Publication Scheme published: Yes
Link: https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2020/03/HTC_publoication_scheme.pdf

The Council have yet to meet the requirements of the Transparency Code. 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

Recommendation: *To comply with the requirements of the Transparency Code in accordance with the attached guidance.*

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

Precept:	£247,051 (2025-2026)	Date: 11/12/2024 (Ref: 24/120.d)
		Date: 13/1/2025 (Ref: 24/145)
Precept:	£269,262 (2025-2026)	Date: 10/12/2025 (Ref: 132/25.f)

Good 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 invoices, the Cash Book and bank statements. There were no anomalies found on the sample testing.

Hall hire fees for Queens Hall were reviewed at a meeting held on 11/8/2025 (Ref: 071/25.f).

Allotment agreements were reviewed and approved, and now include a clause that rent would be subject to review every 2 years, at a meeting held on 13/10/2025 (Ref: 106/25).

Petty Cash Associated books and established system in place

To be carried out at the year end.

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: 245/SH110
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. 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 11/8/2025 (Ref: 071/25.h), where the pay award was noted.

Asset control Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place. The asset register will be examined at the year end to confirm that the figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

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 accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

Nationwide	*xxxx3373*	*£35,000.00*	*(31/3/2025)*
Barclays Business	*xxxx7870*	*£137,432.20*	*(13/1/2026)*
Barclays BP #1	*xxxx8528*	*£0*	*(24/8/2025)*
Barclays Mayor's	*xxxx4545*	*£0*	*(28/7/2025)*
Barclays BP #2	*xxxx4419*	*£0*	*(24/8/2025)*
Lloyds Current	*xxxx4168*	*£108,239.37*	*(12/1/2026)*
CCLA Instant Access	*xxxx8870*	*£TBC at the year end*	
Lloyds Clerk Account	*xxxx5762*	*£1,076.98*	*(12/1/2026)*
Cash in Hand		*£200.00*	
Unity Trust	*xxxx0104*	*£40,434.39*	*(30/11/2025)*

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

To be covered at the year end. It is noted that the Council have a Reserves Policy in place:

https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2024/01/Reserves-policy-2024.pdf

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.

To be covered at the year end.

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

Sole Trustee The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures *The 2024-2025 Year End Internal Audit report was considered by the Council at a meeting held on 19/5/2025 (Ref: 015/25.g).*

Reminder: *To formally appoint Heelis & Lodge as Internal Auditor for the financial year 2025-2026.*

External Audit *The Council formally approved the 2025 AGAR at a meeting of the full Council held on 16/6/2025 (Ref: 032/25.b) & c).*

The External Auditor's report was considered at a meeting held on 13/10/2025 (Ref: 100/25.i).

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.

Information has come to our attention from the internal auditor highlighting the fact that the external auditor report and certificate were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.

No further action required.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 19/5/2025. 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 take this opportunity to congratulate the Council on being awarded the Gold Quality Award, this is a significant achievement for the Council and its staff in the excellent work that you do.
- 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
13 January 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Halstead Town Council
Queens Hall,
Chipping Hill,
Halstead, Essex,
CO9 2BY.

Invoice No: HL9650	
Date: 13 January 2026	

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Halstead Town Council for the year ended 31 March 2026	1	300.00	300.00
Total			300.00

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.

HEELIS&LODGE

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