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 and should be read in conjunction with the Interim Internal Audit Report dated 13/1/2026. The following recommendations/comments have been made:

Income: £534,491   Expenditure: £524,601   Reserves: £351,219.83

2026 AGAR Completion:
Section One: Yes – to be approved by council
Section Two: Yes (draft figures) – to be approved by council
Annual Internal Audit Report 2025/2026: Yes
Certificate of Exemption: No

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) and 9/2/2026 (Ref: 176/25)
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)*
01/01/2026-31/03/2026	*(£1,462.68)*

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

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The Council reviewed the following documents during the year of audit:

13/4/2026
- *Fixed Asset Policy – Ref: 208/25*

9/3/2026
- *Website Accessibility Statement – Ref: 195/25*

9/2/2026
- *Risk Management Policy – Ref: 175/25*

10/12/2025
- *Safeguarding Policy – Ref: 160/25*
- *Internal Control Report – Ref: 153/25.k*

10/12/2025
- *Community Engagement Strategy – Ref: 137/25*

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
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 1/4/2026 – 31/3/2027 with a long term agreement in place until 1/4/2028). The Risk Assessment was reviewed at a full Council meeting held on 13/10/2025 (Ref: 105/25).

Statement of Internal Controls in place: Yes – reviewed 10/12/2025 (Ref: 153/25.k)

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.

It is noted that on 9/3/2026 (Ref: 191/25.e) the Council resolved to no longer accept cheques.

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The Council have a suite of risk assessments in place covering their activities:

- *Adverse Weather*
- *Event planning*
- *Outings*
- *Events in the park and Christmas lights*
- *General events*
- *Financial*
- *Office*
- *Use of boom lift*

Fidelity Cover: £500,000

The level of Fidelity cover is within the recommended guidelines of year end balances (2025-2026) plus 50% of the precept (2026-2027).

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	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 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
Link: https://www.halsteadtowncouncil.org.uk/transparency/

Grants awarded to voluntary, community or external bodies published: Yes
Link: https://www.halsteadtowncouncil.org.uk/transparency/

Senior salaries (over £50,000) published: N/A

Land and car parks published: Yes
Link: https://www.halsteadtowncouncil.org.uk/transparency/

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

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept:	£247,051 (2025-2026)	Date:	11/12/2024 (Ref: 24/120.d)
		Date:	13/1/2025 (Ref: 24/145)
Precept:	£269,262 (2026-2027)	Date:	10/12/2025 (Ref: 132/25)

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 the Cash Book and bank statements.

Cash

Associated books and established system in place

There have been no cash payments made during the year of audit.

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.

Contracts of Employment and subsequent salary agreements are in place for all staff employed by the Council.

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 £6,075,864. 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

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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 at 31 March were confirmed as:

Nationwide	*xxxx3373*	*£35,000.00*
Barclays Business	*xxxx7870*	*£127,462/76*
Barclays BP #1	*xxxx8528*	*£0*
Barclays Mayor's	*xxxx4545*	*£0*
Barclays BP #2	*xxxx4419*	*£0*
Lloyds Current	*xxxx4168*	*£70,966.47*
CCLA Instant Access	*xxxx8870*	*£95,844.88*
Lloyds Clerk Account	*xxxx5762*	*£831.75*
Cash in Hand		*£200.00*
Unity Trust	*xxxx0104*	*£40,422.39*

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 have adequate general reserves of £170,860 and have identified earmarked reserves of £180,359.92 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.

Balance Sheet is correct: Yes
Trial Balance is correct: Yes

Internal Audit Procedures

The 2025-2026 Interim Internal Audit report was considered by the Council at a meeting held on 9/2/2026 (Ref: 171/25.f).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 9/2/2026 (Ref: 171/25.f).

Additional Comments/Recommendations

- 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 and the quality of documentation provided for the audit.

Heather Heelis
Heelis & Lodge
5 May 2026

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INVOICE

To:

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

Invoice No: HL9694	
Date: 5 May 2026	

Details	Quantity	Amount (£)	Total (£)
To carry out Year End 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.

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