

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Drighlington 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: £114,370.94 Expenditure: £101,759.87 Reserves: £82,755.30

2026 AGAR Completion:

Section One: Not yet completed

Section Two: Yes (draft figures) – 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: 16/3/2026 (Ref: 750/26.f)

Financial Regulations in place: Yes

Reviewed: 26/1/2026 (Ref: 716/26.e)

VAT reclaimed during the year: Yes

Registered: No

Submission Period:	Amount:	Submission Period:	Amount:
01/08/2024-30/11/2024	£597.36	01/10/2025-31/01/2025	£112.89
01/12/2024-31/05/2025	£2,279.72	01/11/2025-30/11/2025	£208.91
01/06/2025-30/06/2025	£401.94	01/12/2025-31/12/2025	£461.76
01/07/2025-31/07/2025	£86.51	01/01/2026-31/1/2026	£1,284.59
01/08/2025-31/08/2025	£187.23	01/02/2026-28/02/2026	£145.79
01/09/2025-30/09/2025	£388.45		

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General Power of Competence: No

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

- *Christmas 2025 Working Party Terms of Reference – Ref: 562/25.e*
- *Annual Insurance and Asset Register – Ref: 563/25.l*

19/5/2025

- *Finance Working Party Terms of Reference – Ref: 580.25.a*
- *Code of Conduct – Ref: 580.25.b*
- *Electronic Communication and Email Policy – Ref: 580.25.c*
- *Reserves Policy – Ref: 580.25.e*
- *Staffing Committee Terms of Reference – Ref: 580.25.h*
- *Social Media Policy – Ref: 580.25.k*

18/8/2025

- *IT Policy – Ref: 633/25.d*
- *Grant Policy - Ref: 633/25.e*

15/9/2025

- *Planning Committee Terms of Reference – Ref: 648/25.c*

16/2/2026

- *Safeguarding Policy – Ref: 729/26.a*
- *Donation Policy – Ref: 729/26.b*
- *Complaints Procedure – Ref: 729/26.c*
- *Model Publication Scheme – Ref: 729/26.d*
- *Littering Awareness and Litter Pick Working Party – Ref: 729/26.h*

16/3/2026

- *Data Protection Policy – Ref: 745/26.b*
- *Privacy Notice – Ref: 745/26.e*
- *Privacy Policy and Privacy Notice (Website) – 745/26.c*
- *Asset Register - 745/26.d*

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: ZB662937
Appointment of RFO: 26/1/2026 Ref: 716/26.g

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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 from 9/4/2025 – continuous cover). The Risk Assessment was reviewed at a full Council meeting held on 26/1/2026 (Ref: 716/26.d).

Statement of Internal Controls in place: Yes – reviewed 20/4/2026 (Ref: 763.d)

The Council have good 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.

Bank signatories were reviewed at a meeting held on 15/9/2025 (Ref: 649/25.g) and on 26/1/2026 (Ref: 716/26.f).

Fidelity Cover: £200,000

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://drighlingtonparishcouncil.gov.uk/>

Privacy Policy published: Yes

Link: <https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2023/06/GDPR-Data-Privacy-How-we-manage-your-Data.pdf>

IT Policy in place: Yes

IT Policy published: Yes

Link: <https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2026/03/IT-Policy.pdf>

Data Protection Policy in place: Yes

Data Protection Policy published: Yes

Link: <https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2026/05/Data-Protection-Policy.pdf>

Publication Scheme published: Yes

Link: <https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2026/02/Freedom-of-Information-Model-Publication-Scheme.pdf>

Accessibility Statement in place: Yes

Accessibility Statement published: Yes

Link: <https://drighlingtonparishcouncil.gov.uk/accessibility-statement>

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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 (minute ref: 602/25.i)

[https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2025/06/03.-](https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2025/06/03.-Notice-of-Public-Rights.pdf)

Notice-of-Public-Rights.pdf

Notice of Conclusion of Audit (2025)

Published – Yes

[https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2025/09/25.-](https://drighlingtonparishcouncil.gov.uk/wp-content/uploads/2025/09/25.-Notice-Conclusion-of-Audit.pdf)

Notice-Conclusion-of-Audit.pdf

Period of Exercise of Public Rights

Publication Date: 30/6/2025 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)
2020 - 2021	Yes	Yes	Yes
2021 - 2022	Yes	Yes	Not found
2022 - 2023	Yes	Yes	Yes
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have met the publication requirements with the exception of the publication of the audited Section 3 of the AGAR for 2021-2022.

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

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Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £86,250 (2025-2026)

Date: 27/1/2025 (Ref: 497/25)

Precept: £89,250 (2026-2027)

Date: 26/1/2026 (Ref: 710,26.b)

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: 120/WE09661

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.

The last date of re-declaration of compliance with the Pensions Regulator was 16/2/2026.

It is noted that the Council undertook a review of salaries at a meeting held on 18/8/2025 (Ref: 634/25.h), where the National Pay Award was noted.

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/insurance value. The total value of assets are recorded at £80,665.85 (cost value) and £112,310.00 (insured value). Section 2, Box 9 has yet to be completed. The Council should ensure 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 end of year accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

Natwest	xxxx0787	£1,066.21
Redwood	xxxx4250	£11,000.00
Unity Trust Savings	xxxx2480	£64,364.45
Unity Trust Current	xxxx2477	£6,324.64

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 £47,195.29 and have identified earmarked reserves of £8,000.00 and Ring Fenced Funds of £27,560.01 (CIL) 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 16/6/2025 (Ref: 602/25.c).

A review of the effectiveness of the Internal Audit was carried out on 20/4/2026 (Ref: 763.d) as part of the review of the Statement of Internal Controls. It is noted that this did not take place during the year of audit.

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 16/6/2025 (Ref: 599/25.a).

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 16/6/2025 (Ref: 602/25.g and h).

The External Auditor's report was considered at a meeting held on 20/10/2025 (Ref: 664/25.b).

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 smaller authority has confirmed that a full review of fixed assets was undertaken in 2024/25 and the fixed asset register updated accordingly. However, the prior year Box 9 figure was not restated for any of the corrections that applied to the prior year (for example assets that existed at 31 March 2024 but were not previously included in the fixed asset register or Box 9). Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

Additional Comments/Recommendations

- The Annual Parish 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 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.



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Heelis & Lodge
5 June 2026

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