HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for 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: £446,941.31 Expenditure: £672,195.00 Reserves: £164,693

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. VAT payments are tracked and identified within the year end accounts. The Council hold the General Power of Competence and LGAs137 does not apply.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced. It is noted that the Council are moving from Edge to Scribe for the 2026-2027 financial year.

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: 12/1/2026 (Ref: 8/26)
Financial Regulations in place: Yes
Reviewed: 12/1/2026 (Ref: 8/26)

VAT reclaimed during the year: Yes
Registered: Yes Reg: 570416945

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Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy

Submission Period:	Amount:
01/04/2025-30/06/2025	*£2,363.30*
01/10/2025-31/12/2025	*£3,772.69*
01/01/2026-31/03/2026	*£211.44*

General Power of Competence: Yes Reviewed: 12/5/2025 (Ref: 10)
12/5/2025 (Ref: 10)
Adopted: 20/5/2024 (Ref: 019/24.03)

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

12/5/2025 - Ref: 9
- *Standing Orders*
- *Financial Regulations*
- *Health & Safety Policy*
- *Delegated Powers*
- *Financial Risk Assessment*
- *Committee Terms of Reference*

2/6/2025 – Ref: 28
- *Retention Policy*
- *GDPR Privacy Notice*
- *Premises Committee Terms of Reference*
- *Financial Regulations*

7/7/2025
- *Biodiversity Policy – Ref: 46*
- *Redundancy Policy – Ref: 46*

4/8/2025 – Ref: 64
- *Co-option Policy*
- *Equality and Diversity Policy*
- *Expenses Policy*
- *Whistleblowing Policy*
- *Community Engagement Policy*
- *Email Policy*

6/10/2025 – Ref: 99
- *Newsletter Policy*
- *Grant Policy*
- *Alcohol & Drugs Policy*
- *Annual Leave Policy*
- *Sickness & Absence Policy*
- *Premises Committee Terms of Reference*
- *Maternity Policy*

2/3/2026
- *Internal Controls Policy*
- *Bring your Dog to Work 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 Ref: Z8697647
Appointment of RFO: 12/5/2025 (Ref: 13.a)

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 21/2/2025 – continuous cover). The Risk Assessment was reviewed at a full Council meeting held on 12/5/2025 (Ref: 9).

Bank signatories were reviewed and approved at the Annual meeting of the Council held on 12/5/2025 (Ref: 13.e).

It is noted that the Risk Assessment requires updating to reflect the updated value of Fidelity cover (£500,000).

Statement of Internal Controls in place: Yes – reviewed 2/3/2026 (Ref: 42/26)

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: £500,000 (Fraud and Dishonesty)

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.springfield-pc.gov.uk/

Privacy Policy published: Yes
Link: file:///C:/Users/heath/Downloads/SPCGDPRPOLICY.pdf
Link: https://www.springfield-pc.gov.uk/privacy-notice/

IT Policy in place: Yes
IT Policy published: No

Data Protection Policy in place: Yes
Data Protection Policy published: No

Accessibility Statement in place: Yes
Accessibility Statement published: Yes
Link: https://www.springfield-pc.gov.uk/accessibility/

Recommendation: *To publish the Data Protection Policy and IT Policy on the Council's website.*

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.springfield-pc.gov.uk/parish-council-documents/

Notice of Conclusion of Audit (2025)
Published – Yes
https://www.springfield-pc.gov.uk/parish-council-documents/

Period of Exercise of Public Rights

Publication Date: 2/6/2025 Start Date: 3/6/2025 End Date: 14/7/2025

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
Link: https://www.springfield-pc.gov.uk/parish-council-documents/

Procurement data published (contracts exceeding £5,000): In place but not published

Recommendation: To publish the Procurement data on the Council's website

Grants awarded to voluntary, community or external bodies published: N/A

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

Land and car parks published: In place but not published

Recommendation: *To publish the Procurement data on the Council's website*

Publication Scheme published: Yes
Link: https://www.springfield-pc.gov.uk/parish-council-documents/

The Council have partially met the requirements of the Transparency Code for smaller councils with income/expenditure exceeding £200,000.

The Council have yet to fully 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 supporting documents

Verifying the budgetary process with reference to council minutes and

Precept:	£238,602 (2025-2026)	Date: 9/12/2024 (Ref: 098/24)
Precept:	£268,427 (2026-2027)	Date: 12/1/2026 (Ref: 11/26.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.

Hall hire fees were reviewed and approved at a meeting held on 12/1/2026 (Ref: 12/26.a).

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: 083/CH412 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 was 19/8/2025.* *It is noted that the Council undertook a review of salaries at a meeting held on 1/12/2025 (Ref: 138)..* *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 *Following the finalised separation of Chelmer Village Council from Springfield Parish Council in April 2026 (Ref: Lease dated 1/4/2023), the Council are now undergoing a review of their assets. Therefore the Council's assets were not able to be examined during the 2025-2026 Internal Audit. It is noted that the Council have used the 2025 figure in Section 2, Box 9 for 2026. The figure does not include any purchases or disposals for the 2025-2026 financial year.*
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:*

Barclays Current	*xxxx9404*	*£40,918.84*
Barclays BP	*xxxx6332*	*£0*
CCLA PSDF	*xxxx7477*	*£123,218.08*

The Council had outstanding (PWLB) loans with the UK Debt Management Office (DMO) of £184,000 at the year end. [verified by the 31st March statement].

It is noted that the Council have resolved to open 2 new Unity Trust bank accounts (Ref: 46/26.a).

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

The Council have adequate general reserves and have identified earmarked reserves 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.

The draft figure in Section 2, Box 6 was incorrect and included the PWLB payments, which are separated out in Box 5. The figures in Boxes 6 and 7 should be amended to reflect this.

The figure in Section 2, Box 8 should equal the cash at bank ie the total of all bank accounts and should equal the bank reconciliation ie £164,136.92. The figure in Box 8 should be amended to reflect this.

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 25/6/2025 (Ref: 19.a) and 7/7/2025 (Ref: 48).

A review of the effectiveness of the Internal Audit was carried out on 2/3/2026 (Ref: 42/26).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 12/5/2025 (Ref: 13).

External Audit *The Council formally approved the 2025 AGAR at a meeting of the full Council held on 25/6/2025 (Ref: 19.c and d).*

The External Auditor's report was considered at a meeting held on 6/10/2025 (Ref: 100).

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

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows: 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. Section 1, Assertion 5 has been incorrectly completed. Information received from the smaller authority highlights that risk management arrangements were not reviewed and approved by the authority as a whole during the year. As a result, this assertion should have been answered ‘No’.

Section 1, Assertion 7 has been incorrectly completed. Information received from the internal auditor highlights that the 2023/24 External Audit Report was not considered at a meeting of the smaller authority. The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year’s AGAR: • Section 2, Box 4 incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners’ Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers’ national insurance contributions, employers’ pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.), items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority, payroll processing costs and contractor/locum clerk costs in respect of individuals who are self-employed or employed by an agency, are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The figures in Section 2, Boxes 4 and 6 for the current year should read £231,244 and £254,963 (respectively). The figures in Section 2, Boxes 4 and 6 for the prior year should read £270,109 and £210,434 (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 Assertion in Section 1, Box 2, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. In the completion of their detailed report, the internal auditor has drawn attention to weaknesses in relation to updating the asset register. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2025/26 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 12/5/2025. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- It is noted that not all minutes are on the Council's website. It is **recommended** that all minutes should be published on the website.
- **Recommendation:** To ensure that all minutes are signed and dated and all loose-leaf pages are initialled by the presiding Chair.
- 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 and Finance Officer for their assistance during the course of the audit work and the quality of documentation provided for the audit.

Heather Heelis
Heelis & Lodge
8 June 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Springfield Parish Council
Springfield Parish Centre
St Augustines Way
Springfield
Essex
CM1 6GX

Invoice No: HL9744	
Date: 8 June 2026	

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Springfield Parish Council for the year ended 31 March 2026 Banding £500,001 - £1,000,000	1	660.00	660.00
Total			660.00

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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