

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Drinkstone 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: £24,849 Expenditure: £33,627 Reserves: £25,835

2026 AGAR Completion:

Section One: **Yes**

Section Two: **Yes**

Annual Internal Audit Report 2025/2026: **Yes**

Certificate of Exemption: **No**

Proper book-keeping Cash Book and reconciliation of financial transactions in Cash Book with bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. The cashbook is referenced, providing a clear audit trail. Supporting documentation 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: **7th May 2025 (Ref: 6)**

Financial Regulations in place: **Yes**

Reviewed: **7th May 2025 (Ref: 6)**

VAT reclaimed during the year: **Yes**

Registered: **No**

General Power of Competence: **No**

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

Recommendation (1): To update Standing Orders and Financial Regulations to incorporate £30,000 threshold to the Public Contracts Regulations 2015.

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 – ZA159726 Expiry 10/02/2027

Data Protection

The General Data Protection Regulations came into force on 25 May 2018. It is likely that this will affect how the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council has included this in their Risk Assessment.

Insurance was in place for the year of the audit (valid 1/10/2025 to 30/09/2026). The Risk Assessment was reviewed at a full Council meeting held on 7th May 2025 (Ref: 6).

Statement of Internal Controls in place: Yes

The Council have effective 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: £50,000

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: www.drinkstonparishcouncil.gov.uk

Privacy Policy published: Yes

Link: <https://drinkstoneparishcouncil.gov.uk/councillors-and-meetings/finance/>

IT Policy in place: Yes

IT Policy published: No

It is noted that whilst there is no requirement to publish the policy on the Council's website, it is good practice to do so.

Data Protection Policy in place: Yes

Data Protection Policy published: Yes

Link: <https://drinkstoneparishcouncil.gov.uk/policies/>

Accessibility Statement in place: Yes

Accessibility Statement published: Yes

Link: <https://www.suffolk.cloud/home/accessibility-statement>

Generic Council email addresses for officials in place: Yes

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

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

Period of Exercise of Public Rights

Publication Date: 30/06/2025 Start Date: 01/07/2025 End Date: 12/08/2025

Notice of Conclusion of Audit (2025)

Published – Yes

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** the council is 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	<i>Yes</i>	<i>Yes</i>	<i>N/A</i>
2021 - 2022	<i>Yes</i>	<i>Yes</i>	<i>N/A</i>
2022 - 2023	<i>Yes</i>	<i>Yes</i>	<i>N/A</i>
2023 - 2024	<i>Yes</i>	<i>Yes</i>	<i>N/A</i>
2024 - 2025	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>

The Council has met the publication requirements.

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

The income and expenditure of the council both exceeded £25,000.

Budgetary controls

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

Precept: £10,855 (2025-2026) Date: 4th November 2024 (Ref: 7) & 2nd December 2024 (Ref: 8).

Precept: £11,336 (2026-2027) Date: 1st December 2025 (Ref: 7)

Good budgetary procedures are in place. The precept was agreed in full council, and the precept decision and amount have 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.

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Income controls	Precept and other income, including credit control mechanisms <i>All were found to be in order. Income controls were checked, and a sample of income received and banked was cross-referenced with the Cash Book and bank statements.</i>				
Cash	Associated books and established system in place <i>There have been no cash payments made during the year of audit.</i>				
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 – SALC Payroll Services Employer's Reference: 475/KA60330 P60s issued: Yes <i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place, and a P60 has been produced as part of the year-end process.</i> <i>No eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance to the Pensions Regulator was on the 6th April 2026.</i>				
Asset control	Inspection of asset register and checks on existence of assets Cross checking on insurance cover <i>A separate asset register is in place. Values are recorded at insurance value. The total value of assets are recorded at £69,469. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i>				
Bank Reconciliation	Regularly completed and cash books reconcile with bank statements <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> <i>Bank Balances at 31 March were confirmed as:</i> <table> <tr> <td><i>Unity Trust Current</i></td><td><i>£ 622.59</i></td></tr> <tr> <td><i>Unity Trust Instant</i></td><td><i>£25,212.46</i></td></tr> </table> <i>The Council had no outstanding loans at the year-end.</i>	<i>Unity Trust Current</i>	<i>£ 622.59</i>	<i>Unity Trust Instant</i>	<i>£25,212.46</i>
<i>Unity Trust Current</i>	<i>£ 622.59</i>				
<i>Unity Trust Instant</i>	<i>£25,212.46</i>				

Reserves

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

The Council has adequate general reserves (£19,520) and has identified earmarked reserves of £6,315 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 30th June 2025 (Ref: 9).

Recommendation (2): *When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.*

A review of the effectiveness of the Internal Audit was carried out on 30th June 2025 (Ref: 9).

Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.

Recommendation (3): *It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.*

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 30th June 2025 (Ref: 10 & 11) and 4th August 2025 (Ref: 4.8).

The External Auditor's report was not considered at a meeting held during the year of Audit.

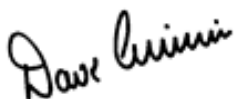
The following matters were brought to the attention of the Council:

The incorrect AGAR form being initially submitted; not providing the minutes or amended Form 3 to demonstrate the additional answers to Assertion 9 and Boxes 11a and 11b, not providing adequate explanation of variances in Box 3 of Section 2.

Recommendation (4): *It is a requirement that the External Auditor's report be reviewed at a meeting which is to be recorded in the minutes along with any actions to be taken.*

Additional Comments/Recommendations

- **An Annual Parish Council meeting was not held during the year of Audit. The chairman was elected at a meeting on the 30th June 2025 (Ref: 3) which was not 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 his assistance during the course of the audit work, and the quality of the Audit file present for Audit.



Dave Crimmin
Heelis & Lodge
18th June 2026

HEELIS&LODGE

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www.heelisandlodge.co.uk

INVOICE

To:

Michael Walton
Drinkstone Parish Council

Invoice No: HLD2537

Date: 18th June 2026

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Drinkstone Parish Council for the year ended 31 March 2026.	1	245.00	245.00
Total			245.00

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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