

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Great Tey 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: £34,316 Expenditure: £47,954 Reserves: £21,795

2026 AGAR Completion:

Section One: [Approved on 18/5/2026](#)

Section Two: [Approved on 18/5/2026](#)

Annual Internal Audit Report 2025/2026: [Yes](#)

Certificate of Exemption: [No](#)

It is noted that the Council have ticked 'No' in Section 2, Box 11. The figures in Section 2 should exclude the Trust transactions, therefore the box should be ticked 'Yes'.

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: [17/3/2026 \(Ref: 20\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [17/3/2026 \(Ref: 20\)](#)

VAT reclaimed during the year: [Yes](#)

Registered: [Yes \(VAT126\)](#)

Submission Period:	Amount:
01/03/2024-28/02/2025	£1,274.71

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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:

17/3/2026

- *Suite of Policies adopted – Ref: 20*
- *Civility and Respect Pledge – Ref: 12*

13/5/2025

- *Policies review – Ref: 5*

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: ZC100018

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 2/12/2025 – 31/5/2026). The Risk Assessment was reviewed at a full Council meeting held on 17/3/2026 (Ref: 20).

Statement of Internal Controls in place: Yes – reviewed 17/3/2026 (Ref: 20)

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: £250,000

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://greatteyparishcouncil.gov.uk>

Privacy Policy published: Yes

Link: <https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Privacy-Notice-2026-Review.pdf>

IT Policy in place: [Yes](#)
IT Policy published: [Yes](#)
Link: <https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Information-Technology-Policy-2026.pdf>

Data Protection Policy in place: [Yes](#)
Data Protection Policy published: [Yes](#)
Link: <https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Data-Protection-Policy-2026.pdf>

Publication Scheme published: [Yes](#)
Link: <https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Publication-Scheme-2026.pdf>

Accessibility Statement in place: [Yes](#)
Accessibility Statement published: [Yes](#)
Link: <https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Website-Accessibility-Statement-2026.pdf>

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://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/202425-agar-notice-of-public-rights-1.pdf>

Notice of Conclusion of Audit (2025)
Published – Yes
<https://greatteyparishcouncil.gov.uk/wp-content/uploads/2026/06/Notice-of-conclusion-of-audit-2025-1.pdf>

Period of Exercise of Public Rights

Publication Date: [25/6/2025](#) Start Date: [26/6/2025](#) End Date: [6/8/2025](#)

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 2024-25 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:

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

<https://www.gov.uk/government/publications/local-government-transparency-code-2015/local-government-transparency-code-2015>

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £21,811.65 (2025-2026) Date: 14/1/2025 (Ref: 8)
Precept: Not minuted (2026-2027) Date: 13/1/2026 (Ref: 10)

Budgetary procedures are in place. The precept for 2025-2026 was agreed in full council and the precept decision and amount has been clearly minuted. However, the precept decision for 2026-2027 has not recorded the agreed precept figure.

Recommendation: *to ensure the agreed precept figure is included in the precept resolution.*

The incoming Clerk has highlighted concerns regarding the 2025-2026 budgetary process. These concerns are supported, as are the recommendations made in the report.

‘At the point the 2026/2027 budget proposal was presented to the Council in January, the proposed expenditure totalled £36,396.69. However, the precept request submitted to Colchester City Council totalled £22,902, with the remaining balance intended to be funded through the use of £8,879 from reserves. Upon review, the figures submitted as part of the precept request do not fully reconcile against the overall budget requirement, and this has highlighted the need for greater clarity, long-term financial planning, and improved reserve management moving forward.

The Council's reserves at the financial year end 2025/2026 stood at £21,795.31. Whilst this may initially appear to represent a healthy balance, the Council is already operating from a position where a significant proportion of reserves are required to support day-to-day expenditure and existing commitments. This means that the Council is effectively beginning the new financial period by relying upon reserve balances to subsidise operational costs rather than preserving reserves solely for emergencies, future liabilities, or strategic financial resilience.

Best practice guidance generally recommends that parish councils maintain reserve levels equivalent to between 3 and 12 months of annual expenditure, with 12 months considered the most financially resilient and prudent position for councils managing assets, staffing obligations, and increasing operational risk. Given the uncertainty surrounding future local government reorganisation, inflationary pressures, and the growing expectations being placed upon parish councils, it is considered essential that the Council works toward strengthening and stabilising its reserve position over the coming years.'

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: **To be confirmed at the 2026-2027 audit**
P60s issued: **Not available for audit**

The Council continue to operate RTI in accordance with HMRC regulations. It was resolved at a meeting held on 17/3/2026 (Ref: 19) to outsource payroll.

Pension information was not available for the audit. The last date of re-declaration of compliance should be checked at the 2026-2027 audit. The Council resolved at a meeting held on 17/3/2026 (Ref: 18) that staff would be enrolled in the LGPS.

It is noted that the Council undertook a review of salaries at a meeting held on 11/11/2025 (Ref:13).

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 £135,775 in the asset register. This differs from the figure in Section 2, Box 9 of the AGAR, which states £135,775. 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:

Barclays Community	xxxx7327	£3,152.51
Barclays Business	xxxx3313	£18,642.80

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 £21,795 and have no 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 a Receipts & Payments basis.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a Trustee of The Trust Property held ICW The Village Hall (Great Tey). The objectives of the Charity is to provide facilities for the education and entertainment of the local community.

Charity Number: 262991

The last annual submission of the accounts was 13/10/2025 for the financial year ending 31/12/2024. Income: £27,224. Expenditure: £23,998.

Internal Audit Procedures

The 2024-2025 Internal Audit report was considered by the Council at a meeting held on 8/7/2025 (Ref: 11) and 17/3/2026 (Ref: 9).

A review of the effectiveness of the Internal Audit was carried out on 17/3/2026 (Ref: 20).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 17/3/2026 (Ref: 10).

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 13/5/2025 (Ref: 9).

The External Auditor's report was considered at a meeting held on 9/9/2025 (Ref: 8) and 17/3/2026 (Ref: 9).

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 smaller authority has disclosed that the internal was independent of the financial decision making, management and control of the smaller authority or of the authority's financial controls auditor by answering 'Yes' to Section 1, Assertion 6. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. The smaller authority should also consider its response to Assertion 6 on next year's AGAR. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 13/5/2025. The first item of business was 'Apologies'. In accordance with Standing Orders the first item of business should be the Election of Chairman. It is **recommended** that the order of the annual parish council meeting is amended.
- 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
2 July 2026

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INVOICE

To:

Great Tey Parish Council

Invoice No: HL9770

Date: 2 July 2026

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for the year ended 31 March 2026 (£25,001 - £50,000 banding)	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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