Internal Audit Report for Cross Roads 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: £54,486.22 Expenditure: £56,037.85 Reserves: £27,599.46

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: 21/5/2025 (Ref: 17.25) and 18/3/2026 (Ref: 159/26.a)
Financial Regulations in place: Yes
Reviewed: 21/5/2025 (Ref: 17.25)

VAT reclaimed during the year: Yes
Registered: No

Amount:	Amount:
£1,934.39	*£339.51*
£438.90	*£2,133.66*
£295.59	

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

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:

18/3/2026
- *Asset Register – Ref: 159/26.b*

18/2/2026
- *Coat of Arms Policy – Ref: 135/26.c*

19/11/2025
- *Model Publication Scheme – Ref: 100/25*

17/9/2025
- *Finance Working Party Terms of Reference – Ref: 67/25.c*

18/6/2025
- *Complaints Policy and Procedure – Ref: 38.25*

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 registration:	Yes	Ref: ZB612130
Appointment of RFP: 17/9/2025		Ref: 66/25.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 20/4/2025 – 19/4/2026). The Risk Assessment was reviewed at a full Council meeting held on 18/3/2026 (Ref: 159.26.a).

Statement of Internal Controls in place: No

Recommendation: *To adopt a Statement of Internal Control.*

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 there are 5 bank signatories. These were reviewed on 18/3/2026 (Ref: 159/26.c).

Fidelity Cover: £100,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept. It is noted that the Risk Assessment states that the level of Fidelity Cover is £250,000, which differs from the insurance schedule. It is suggested that the Risk Assessment is updated.

Transparency

Compliance with **Assertion 10**:

The Council have recognised that their website does not meet the requirements laid down in Assertion 10 and have commissioned a new website which complies with the relevant legislation (Ref: 18/2/2026 - 135/26.6).

Website link: https://cross-roadsparishcouncil.gov.uk

Privacy Policy published: Yes
Link: https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2026/05/General-Privacy-Notice.pdf

IT Policy in place: No
IT Policy published: No

To fully comply with the new requirements it is recommended that the Council consider adopting the model IT policy from NALC (link below). 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.

https://www.nalc.gov.uk/resource/nalc-publishes-new-it-policy-template-to-support-parish-and-town-councils-in-meeting-governance-standards.html

Recommendation*: To adopt the NALC model IT Policy.*

Data Protection Policy in place: Yes
Data Protection Policy published: Yes
Link: https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2026/05/Data-Protection-Policy.pdf

Publication Scheme published: Yes
Link: https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2026/05/ICO-Publication-Scheme.pdf

Accessibility Statement in place: Yes
Accessibility Statement published: Yes
Link: https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2026/05/Accessibilty-Statement.pdf

It is suggested that the Accessibility Statement is updated to state that the Council are working towards the following:

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1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility 14 of 67 Regulations 2018 (where applicable). [Practitioners Guide 2026-2027]

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: 15.24)
https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2025/05/Notice-of-Public-Rights.pdf

Notice of Conclusion of Audit (2025)
Published – Yes
https://cross-roadsparishcouncil.gov.uk/wp-content/uploads/2025/09/Conclusion-of-Audit.pdf

Period of Exercise of Public Rights

Publication Date: 30/5/2025 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	n/a	n/a	n/a
2021 - 2022	n/a	n/a	n/a
2022 - 2023	n/a	n/a	n/a
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 Verifying the budgetary process with reference to council minutes and supporting documents

Precept:	£48,657 (2025-2026)	Date: 18/12/2024 (Ref: 150.24)
Precept:	£61,991 (2026-2027)	Date: 8/1/2026 (Ref: 123/26.f)

Satisfactory 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/AE63793
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced to Bradford Payroll Services). 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 20/4/2026.

It is noted that the Council undertook a review of salaries at a meeting held on 15/4/2025 (Ref: 211.23) and on 17/9/2025 (Ref: 66/25), where the National Pay Award was noted. Member Allowances were agreed at a meeting held on 18/2/2026 (Ref: 139/26.n).

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 £23,644.35. 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:* *Unity Trust xxxx5673 £2,764.67* *Unity Trust xxxx5618 £24,834.79* *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 £18,599.46 and have identified earmarked reserves of £9,000 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 21/5/2025 (Ref: 11.24).* *A review of the effectiveness of the Internal Audit was carried out on (Ref:).* *Heelis & Lodge were appointed as Internal Auditor at a meeting held on 17/9/2025 (Ref: 71/21.a).*

External Audit *The Council formally approved the 2025 AGAR at a meeting of the full Council held on 21/5/2025 (Ref: 13.24 and 14.24).*

The External Auditor's report was considered at a meeting held on 15/10/2025 (Ref: 84/25).

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. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Information received from the smaller authority indicates that assets purchased during the year have not been included in Section 2, Box 9.

Section 1, Assertion 3 has been incorrectly completed, councillor allowances were not processed through payroll. This is consistent with the Internal Auditor's response to Internal Control Objective G

Other matters not affecting our opinion which we draw to the attention of the authority:

In the completion of the Annual Internal Audit Report, the internal auditor has drawn attention to weaknesses in relation to publishing information on the website. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 21/5/2025. 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 the documentation provided for the audit.

Heather Heelis
Heelis & Lodge
5 June 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Cross Roads Parish Council

Invoice No: HL9739	
Date: 5 June 2026	

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Cross Roads Parish Council for the year ended 31 March 2026 £50,001 - £100,000 banding	1	285.00	285.00
Total			285.00

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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