Year End Internal Audit Report for North Walsham 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 and should be read in conjunction with the Interim Internal Audit report dated 7/10/2025. The following recommendations/comments have been made:

Income: £518,844.73 Expenditure: £702,990.48 Reserves: £292,603.49

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

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: 27/5/2025 (Ref: 13.1)
Financial Regulations in place: Yes
Reviewed: 17/6/2025 (Ref: 8) and 16/12/2025 (Ref: 8.7.7)

VAT reclaimed during the year: Yes
Registered: Yes

Submission Period:	Amount:
01/04/2025-30/06/2025	*£5,731.15*
01/07/2025-30/09/2025	*£12,676.44*
01/10/2025-31/12/2025	*£10,457.15*
01/01/2026-31/03/2026	*£7,684.89*

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

8/12/2025 (Ref: 6)
- *Grant Award Policy*
- *Investment Policy*
- *Reserves Policy*
- *Internal Control Policy*

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Risk Assessment Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

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.

The Council appointed an Internal Scrutineer at a meeting held on 17/6/2025 (Ref: 3). Reports are presented quarterly to the Council.

Fidelity Cover: £750,000

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://www.northwalsham-tc.gov.uk/

Privacy Policy published: Yes
Link: https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_6927b7dabf2f44e5a7974a667edc3673.pdf

IT Policy in place: Yes
IT Policy published: Yes
Link: https://www.northwalsham-tc.gov.uk/_files/ugd/2f7140_bcc0c4b166454ae2960b6b9609b33db3.pdf

Data Protection Policy in place: Yes
Data Protection Policy published: Yes
Link: https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_cadb60609fe545a2a8a73e0bf7b2ebdd.pdf

Accessibility Statement in place: Yes
Accessibility Statement published: Yes
Link: https://www.northwalsham-tc.gov.uk/website-accessibility-statement

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
Link: *https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_6dd3ef348f1b4dc9a166943eab610ed4.pdf*

Notice of Conclusion of Audit (2025)
Published – Yes
Link: https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_294e931e6a494a5bae1354d5ee108275.pdf

Period of Exercise of Public Rights

Publication Date: 27/6/2025 Start Date: 30/6/2025 End Date: 8/8/2025

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	No	No	No
2021 - 2022	Yes	Yes	No
2022 - 2023	Yes	Yes	Yes
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have partially met the publication requirements.

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:

Expenditure items over £500 (quarterly) published: Yes
Link: https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_ddcc661f2bb54b7d89dec856a11dfffe.pdf

Procurement data published (contracts exceeding £5,000): Yes
Link:https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_ddcc661f2bb54b7d89dec856a11dfffe.pdf

Grants awarded to voluntary, community or external bodies published: Yes – contained in the minutes and payments lists

Senior salaries (over £50,000) published: Yes
Link: https://www.northwalsham-tc.gov.uk/_files/ugd/2f7140_8172607e97214e7d822a02be88d2f7b6.pdf

Land and car parks published: Yes
Link:https://www.northwalsham-tc.gov.uk/_files/ugd/2f7140_8172607e97214e7d822a02be88d2f7b6.pdf

Publication Scheme published: Yes
Link: https://9b513abb-a9aa-4c8b-92fb-69cbea8cf42d.filesusr.com/ugd/d1a20b_690272e868f248e8ba3867e56cd02783.pdf

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

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept:	£430,730 (2025-2026)	Date: 26/11/2024 (Ref: 8.5)
Precept:	£463,600 (2026-2027)	Date: 16/12/2025 (Ref: 8.7.5)

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.

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: 531/N3004
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Supporting paperwork is in place and P60s have been produced as part of the year end process. A sample of payroll transactions were examined and no irregularities found.

Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 18/9/2025.

Contracts of Employment are in place and undergoing review with a view to standardise contracts.

Recommendation: *To ensure 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 £2,051,133. 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:

CCLA PSDF	*xxxx7899*	*£105,000.00*
Redwood Savings	*xxxx0720*	*£88,906.04*
Unity Trust Current	*xxxx0567*	*£12,110.16*
Unity Trust Instant Access	*xxxx8301*	*£78,432.25*
Unity Trust Wages	*xxxx5957*	*£491.50*
NatWest Business Reserve	*xxxx6829*	*£nil*
NatWest Current	*xxxx6819*	*£nil*

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 £199,299.71 and have identified earmarked reserves of £51,703.31 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.

Balance Sheet is correct: Yes
Trial Balance is correct: Yes

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Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a Trustee of the War Memorial Park Charity.

Charity Number: 304023

It is noted that the Charity have met their responsibility in submitting the 2024-2025 accounts by the required deadline. Income for the 2024-2025 financial year was £0, expenditure was £0.

The last annual submission of the accounts was 14/1/2026.

Internal Audit Procedures

The 2025-2026 Interim Internal Audit report was considered by the Council at a meeting held on 4/11/2025 (Ref: 5).

A review of the effectiveness of the Internal Audit was carried out as part of the review of the Internal Control Policy on 8/12/2025 (Ref: 6).

There was no evidence that the appointment of Heelis & Lodge as Internal Auditor for the 2025-2026 financial year was formally minuted.

Recommendation: *It is recommended that the appointment of the Internal Auditor is formally minuted.*

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 24/6/2025 (Ref: 19.1).

The External Auditor's report was considered at a meeting held on 28/10/2025 (Ref: 7.4).

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

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 9, and it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

Additional Comments/Recommendations

- 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
19 May 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

North Walsham Town Council
Office 4
Cedar House
New Rd
North Walsham
Norfolk
NR28 9DE

Invoice No: HL9715

Date: 19 May 2026

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for North Walsham Town Council for the year ended 31 March 2026	1	395.00	395.00
Total			395.00

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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