East Midlands Audit Services Ltd

INTERNAL AUDIT REPORT/CHECKLIST FOR HAZELWOOD PARISH COUNCIL FOR THE YEAR ENDING 31st MARCH 2026

Further to the Internal Audit of Accounts, I carried out on 26 April 2026 I confirm that the annual audit was carried out in accordance with the suggested approach contained in the Smaller Authorities Proper Practices Panel (SAPPP) - Practitioners' Guide 2026 to be applied in the preparation of statutory annual accounts and governance statements 2025/26.

Page 3 of the 2025/26 AGAR form has been signed off accordingly.

Signed Zoe Ingram 26 April 2026
East Midlands Audit Services Ltd

1. Bookkeeping			**Comments**
1.1	Ledgers maintained and up to date?	Yes	
1.2	Arithmetic, correct?	Yes	Easy PC Accounts

2. Financial Regulations and Standing Orders			**Comments**
2.1	Standing Orders adopted, up to date and reviewed annually?	No	Last reviewed May 2023, updated versions are scheduled for adoption in May 2026
2.2	Financial Regulations adopted, up to date and reviewed annually?	No	Last reviewed May 2023, updated versions are scheduled for adoption in May 2026
2.3	FRs properly tailored to council?	Yes	
2.4	RFO appointed – In accordance with proper practices and with reference to section 151 of the Local Government Act 1972.	Yes	
2.5	Review of procedures in place for acquisition of formal tenders and quotes ensuring they are in line with the SO & FR which should be based on the latest version	N/a	No formal tenders in the year
2.6	Ensure that consistent values are in place for acquisition of formal tenders between SO & FR (different values may be in two documents)	N/a	
2.7	Review the procedures for receipts of invoices, agreement of invoice	No	Needs an update

	detail and confirmation of goods/services delivery and approval for payment		
2.8	Check that there is effective segregation between the writing of cheques and or setting up of online payments and physical release of payments	Yes	New clerk and RFO from November 2025 and have been strengthened
2.9	List of member interests held?	Yes	Held by District Council
2.10	Agendas signed, informative and displayed with 3 clear days' notice? Local Government Act 1972, Schedule 12 Part 2, paragraph 10, sub paragraph 2. APM 7 clear days LGA 1972, Sch 12, para 15.	Yes	

3. Payment Controls			**Comments**
3.1	Is there supporting paperwork for payments with appropriate authorisation (two signatories) (Full Council Approval)?	Yes	Follows Financial regs from May 2023 and been strengthened from November 2025
3.2	Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements	No	No vat claimed
3.3	Has the Council adopted the General Power of Competence (GPC) and is there evidence this is being applied correctly? (At least 2/3 elected members and a qualified Clerk (CilCA or higher) resolved at the Annual Council meeting after an election)	Yes	Follows Financial regs from May 2023 and been strengthened from November 2025
3.4	S137 separately recorded and within limits?	N/a	None
3.5	S137 expenditure of direct benefit to electorate?	N/a	None
3.5	S137 expenditure minuted?	N/a	None
3.6	Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/a	
3.7	Where debit/credit cards are in use, establish the total monthly and individual transaction limits and	Yes	No card in use for 2025-26 year however in meeting on 29 January

	ensure appropriate controls over physical security and usage of the cards are in place.		2026 22/d it was resolved that one will be obtained for the Clerk.

4. Risk Management			**Comments**
4.1	Does scan of minutes reveal any unusual activity?	No	Nothing unusual
4.2	Annual risk assessment carried out at least annually?	No	No formal documented annual risk assessment has been identified for the 2025-26 financial year.
4.3	Insurance cover appropriate and adequate – employment, public liability and fidelity guarantee and has been reviewed on an annual basis?	Yes	Copy seen
4.5	Internal financial controls documented and evidenced?	Yes	There has been internal control in place, however, enhanced controls have been implemented from November 2025
4.6	Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment	Yes	EMAS and I are independent to this council.
4.7	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches; such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members that they have received the appropriate training and accreditation	N/a	The council does not own or directly manage any play areas, open spaces or sports pitches

5. Budget			**Comments**
5.1	Annual budget has been properly prepared before the budget is set and agreed at Full Council.	Yes	There was no budget for 2025-26, but 2026-27's was approved on 29 January 2026 22a
5.2	Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts.	Yes	Checked bank statements
5.3	Precept amount has been agreed at Full Council and clearly minuted	Yes	29 January 2026 22b

5.4	Reserves held – general and earmarked Reserve Policy held?	N/a	The council does not currently hold general or earmarked reserves.
5.5	Regular reporting of expenditure and variances from budget?	Yes	It is reviewed periodically in line with the scale and nature of the councils' activities.

6. Income Controls			**Comments**
6.1	Is income properly recorded and promptly banked?	Yes	
6.2	Is income reported to Full Council?	Yes	
6.3	Does the precept record agree to the Council Tax Authority's notification?	Yes	
6.4	Review of 'aged debtors' listings to ensure appropriate follow up action is in place.	N/a	
6.5	Allotments; ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained, identifying that debtors are monitored.	N/a	
6.6	Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)	N/a	
6.7	Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised.	Yes	To be completed online, comprehensive list of Policies, and all updated in March 2026
6.8	Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income.	N/a	

7. Petty Cash		Comments	
7.1	Is petty cash in operation?	N/a	None
7.2	If appropriate, is there an adequate control system in place?	N/a	
7.3	Review the systems in place for controlling any petty cash and cash floats (used for bar, catering, etc).	N/a	
7.4	Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.	N/a	
7.5	Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.	N/a	
7.6	Ensure that VAT is identified wherever incurred and appropriate	N/a	
7.7	Physically check the petty cash and other cash floats held.	N/a	
7.8	Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total	N/a	

8. Payroll – Staff		Comments	
8.1	Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.	Yes	New Clerk/RFO from November 2025
8.2	Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability.	Yes	
8.3	Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or	Yes	

	hourly rate, if off-scale, and with the contracted hours.		
8.4	Ensure that appropriate tax codes are being applied to each employee.	Yes	
8.5	Where free or paid for software is used, ensure that it is up to date.	Yes	
8.6	For the test sample of employees, ensure that tax is calculated appropriately.	Yes	
8.7	Check the correct treatment of Pension contributions	Yes	
8.8	Ensure that the correct employers' pension percentage contribution is being applied.	Yes	
8.9	For NI, ensure that the correct deduction and employer's contributions are applied: NB. the employers allowance is not available to councils but may be used by other authorities	Yes	
8.10	Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies	Yes	
8.11	Has council approved salary paid?	Yes	
8.12	Have pension re-declaration duties been carried out?	Yes	November 2025
8.13	Other payments reasonable and approved by council?	Yes	
8.14	Minimum wage paid?	Yes	

9. Asset Control			**Comments**
9.1	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of/ no longer serviceable assets.	Yes	Seen

9.2	Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement/ insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.	Yes	Each item is listed
9.3	Additions and disposals records should allow tracking from the prior year to the current.	Yes	
9.4	Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any changes.	Yes	All agrees
9.5	Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority.	Yes	
9.6	Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time.	N/a	
Fixed asset investments:			
9.7	Ensure that all long-term investments (i.e., those for more than 12-month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at section 2, line 9.	N/a	

10. Borrowing and Lending			**Comments**
10.1	Ensure that the authority has sought and obtained appropriate UK Debt Management Office approval for all loans acquired.	N/a	None
10.2	Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan, any arrangement fee should be regarded as an admin expense) in the year of receipt.	N/a	
10.3	Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5.	N/a	
10.4	Ensure that the outstanding loan liability as of 31st March each year is	N/a	

	correctly recorded in the AGAR at section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO).		
10.5	Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.	N/a	

11. Bank Reconciliations			**Comments**
11.1	Is there a bank reconciliation for each account?	Yes	
11.2	Reconciliation carried out on receipt of statement?	Yes	
11.3	Do the individual bank balances agree with the bank statements as of 31 March?	Yes	
11.4	Is there regular reporting of bank balances at Council meetings?	Yes	Since November 2025 reported to council monthly

12. Year End Procedures			**Comments**
12.1	Has the appropriate end of year AGAR documents been completed?	Yes	
12.2	Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should: ● Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein. ● Ensure that appropriate accounting arrangements are in place to account for debtors and	N/a	Less than £200,000

	creditors during the year and at the financial year-end.		
12.3	IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000) ● the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline; ● that it has been published, together with all required information on the Authority's website and noticeboard.	Yes	
12.4	IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.	Yes	
12.5	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection. IAs may also check whether authorities have minuted the relevant dates at the same time as approving the AGAR.	Yes	Seen
12.6	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.	Yes	
12.7	Roll forward of the prior year cashbook balances to the new financial year	Yes	Everything is now on Easy PC Accounts
12.8	Sample Financial Transactions in cashbooks to bank statements (Appendix 1)	Yes	

13. Internal Audit			Comments
13.1	Has the Council considered the previous internal audit report?	Yes	New challenge of new Clerk and RFO from last year
13.2	Has appropriate action been taken regarding the recommendations raised?	Yes	New systems in place
13.3	Has the Council confirmed the appointment of an internal auditor?	Yes	Was on the agenda for Feb 2026 33a,
13.4	Has the letter of engagement been approved by Full Council?	Yes	

14. External Audit			Comments
14.1	Has the Council considered the previous external audit report?	N/a	There are currently no records of external auditors' report for previous years been made available.
14.2	Has appropriate action been taken regarding the comments raised?	No	Efforts are ongoing to obtain historic documentation
15. Other Information			**Comments**
15.1	Was the annual meeting held in accordance with legislation? (First item of business – appoint Chair) (Annual Council meeting to be held in May)	Yes	The Annual Meeting took place prior to the appointment of the current Clerk/RFO. No records have been identified to indicate non-compliance with legislative requirements.
15.2	Is there evidence that Minutes (Full Council and all Committees) are administered in accordance with legislation? (LGA 1972 schedule 12 Para 41(1) and 44 – Unapproved minutes of the meeting should be formally approved (with any necessary amendments) at the next meeting. The Chair is given formal approval to sign the minutes)	Yes	Minutes have been prepared and maintained in accordance with legislative requirements from November 2025.
15.3	Is there a list of members interests held?	Yes	The register of members' interests is maintained by the District Council.
15.4	Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements. that the council is the sole trustee on the Charity Commission register. that the council is acting in accordance with the Trust deed.	Yes	The Council acts as custodian trustee for the Memorial Hall. Day-to-day management is undertaken by an independent charitable trust.

	that the Charity meetings and accounts are recorded separately from those of the council. review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiners report.		
15.5	Has the Transparency code been correctly applied, and information published in accordance with current legislation?	Yes	February 2026 it was resolved
15.6	Has the Council registered with the Information Commissioners Office (ICO)?	Yes	Payment approved February 2026
15.7	Is the Council compliant with the General Data Protection requirements?	Yes	Policy on website, not sure when it was updated though
15.8	Has the Council published a website accessibility statement on their website in line with Regulations?	Yes	
15.9	Does the Council have official email addresses/ for correspondence owned and paid for by Council?	Yes	As of February 2026,
15.10	Is the Council website meeting WCAG2.2AA (Website accessibility guidelines)?	Yes	AIM Score 9.5 out of 10 on Wave accessibility evaluation tool
15.11	Has the Council updated their website accessibility statement?	Yes	Updated 01 March 2026
15.12	Does the Council have an up-to-date IT Policy?	Yes	It is planned for 23 May 2026 to be adopted.
15.13	Is there evidence that electronic files are backed up?	Yes	Electronic records are backed up using cloud-based storage via Microsoft OneDrive. The Council's website is hosted on WordPress and benefits from a 30-day rolling backup provided by the hosting environment, along with system-level backup of site content. These arrangements provide resilience for both operational documents and published content.
15.14	Do the terms of reference exist for all committee and is there evidence these are regularly reviewed?	N/a	The Council does not operate any committees.

Annual Return (Page 6)			
		Year ending 31 March 2025	Year ending 31 March 2026
		£	£
1	Balances brought forward	10,688	13,286
2	Annual precept	7,369	7,590
3	Total other receipts	2,875	711
4	Staff costs	3,362	4,828
5	Loan interest/capital repayments	0	0
6	Total other payments	4,284	4,889
7	Balances carried forward	13,286	11,861
8	Total cash and investments	13,286	11,861
9	Total fixed assets and long-term investments and assets	1,616	1,616
10	Total borrowings	0	0
11	Section 2 annual return figures completed and cross referenced	Yes	Yes

Appendix 1

Payee invoice check	Cuttlefish	Pride Plumbing Services Ltd
Ledger date	01.08.2025	21.01.2026
Item/Budget heading	Website	Cooker
Ref/cheque no.	Online	Online
Payment minute ref	25/5/09	
Invoice value	372.00	384.00
Minute value	372.00	384.00
Payment value	372.00	384.00
Bank Statement value	372.00	384.00
Timely payment	Yes	Yes
VAT recorded	Yes (£)	Yes (£)
S137 recorded	N/A	N/A
S137 minuted	N/A	N/A

Conclusion:

For the year ended 31 March 2026, Hazelwood Parish Council has continued to strengthen its governance and administrative processes. The internal audit was successful and confirmed that the Council's core financial controls are operating effectively. A small number of areas have been identified for further attention to ensure continued clarity and compliance, particularly the review and updating of the Council's **Standing Orders** and **Financial Regulations**, which will be prioritised in the coming months.

Since the appointment of the new Clerk, significant progress has been made in modernising procedures, improving record-keeping, and ensuring that all statutory requirements are met in a timely and transparent manner. This ongoing work provides a strong foundation for the Council's operations going forward.

Overall, the Council ends the financial year in a stable position, with clear plans for continued improvement and a commitment to maintaining high standards of governance on behalf of the community.

The Clerk and/or RFO should certify the accounts before the full council approves them.

The Notice for the public inspection period must detail that it is for a single period of 30 working days and must include the first ten days of July (i.e. 03.06 – 14.07 or 01.07- 11.08)

(For Town and Parish Council's)

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Clerk to Hazelwood Parish Council

INVOICE ZJI/26/110

To: Independent Internal Audit of the 2025/2026 Hazelwood Parish Council Accounts on 26th April 2026

Audit of Accounts		£120.00
Mileage x .45p		
	Total	**£120.00**

Preferred payment method is bank transfer details below:
East Midlands Audit Services Ltd
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