



A Forster
Easington Colliery Parish Council
Parish Hall, Crawlaw Road,
Easington Colliery, Peterlee,
County Durham, SR8 3LP

8th May 2026

Dear Tony,

INTERNAL AUDIT 2026

Parish & Town Auditing Services have been appointed to undertake the internal audits at Easington Colliery Parish Council. The annual internal audit for 2025/26 financial year was completed on 8th May 2026.

I can confirm that I am independent of the Parish Council.

As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete the internal audit section of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These controls are included in the following report.

The Audit has identified a number of recommendations to help update and improve the Council's current procedures. The audit has found no areas of concern and the Council's procedures and controls are generally working well.

Thank you for all the information you have provided to enable the audit to be undertaken.

Yours sincerely,

Paul Russell, Internal Auditor

INTERNAL AUDIT

Outlined below is an overview of the 10 Assertions within the Practitioners Guide 2025. Each of these are dealt with under the relevant Governance sections contained in Section 1 of the AGAR:

AGS Assertion 1 — Financial management and preparation of accounts

- Accounting Records and supporting documents:
- Bank reconciliation:
- Budget setting:
- Investments:
- Reserves:
- General Reserves:
- Earmarked and other reserves:

AGS Assertion 2 — Internal control

- Standing Orders and Financial Regulations:
- Safe and efficient arrangements to safeguard public money:
- Employment:
- VAT
- Fixed assets and equipment:
- Loans and long-term liabilities:

AGS Assertion 3 — Compliance with laws, regulations and proper practices

- Acting with its powers:

AGS Assertion 4 — Exercise of public rights

AGS Assertion 5 — Risk management

AGS Assertion 6 — Internal audit

AGS Assertion 7 — Reports from auditors

AGS Assertion 8 — Significant events

AGS Assertion 9 — Trust funds (local councils only)

AGS Assertion 10 — Digital and data compliance

The following headings are based on Section 1 – Annual Governance Statement.

A. Appropriate accounting records have been properly kept throughout the financial year.

Council has appointed the Clerk to the Council as the RFO (LGA1972 s151).

The roll over figure is £546,745 (Box 7).

The Notice of Conclusion of Annual Audit dated 29th October 2025 has been published on the website for 2024/25.

The Council maintains its accounts using the Rialtas accounting package. A sample of the financial transactions between 1st April and 31st March 2026 has been undertaken. The following checks were carried out:

- A review of the cashbook against the bank statements and invoices paid;
- A sample of Payments have been checked against the bank statements to verify accuracy;
- Expenditure incurred is appropriate.

There is a proper process in place to ensure that financial information is correctly recorded and reported to Council as part of its governance procedures. Procedures are included in the Financial Regulations. A copy is available on the Council website.

A Financial report is presented to Council at each meeting. This includes a list of invoices for payment, list of income, the monthly bank reconciliation and budget monitoring reports. Approvals are minuted in the Council minutes and payment is via online banking. Spot checks are carried out by Members.

The Council has a Risk Management Strategy in place.

There is appropriate segregation in place and an adequate process to enable the detection and identification of potential fraud.

The year end bank reconciliation has been completed. This was referenced back to the bank statements. The final balance held by the Council amounts to £608,316 as at 31st March 2026

The Council requires an investment Policy as it has balances over £100,000.

Recommend this be published on the website.

The Council has met this control objective.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Tenders and Contracts are governed by Financial Regulations. All contracts being tendered should be published on the Parish Council's website as well as the Find a Tender portal where required.

Both Standing Orders and Financial Regulations are based on recent NALC template versions. The limits between the two documents match. **Note that Contracts Finder has now been discontinued and replaced by Find a Tender. Recommend that reference to Contracts Finder be removed from the Financial Regulations.**

Invoice process is as follows:

- Invoices dated on receipt
- Verified for accuracy
- Allocated relevant cost centre
- Invoices are printed and filed
- Invoice details are inputted into the accounts software
- Payments are reported to Full Council and authorised/ratified

There is appropriate segregation in place.

VAT is claimed annually. A Claim during the year has been made and a sum of £16,337.30 has been submitted for the 2025/25 financial year.

The Council has met this control objective.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

An Asset Register is in place and has been updated during the year. It includes additions and disposals and these have clearly been stated.

The Council is insured with Zurich Municipal. Policy Number is YLL-272010-0563. This was renewed on 15th August 2025 and runs until 14th August 2026.

Fidelity cover is £500,000. The policy also includes Employer Liability (£10 million), Public liability (£15 million) and Libel & Slander (£100k)

The Council is responsible for a number of play areas. Annual independent inspection reports are undertaken and regular inspections are carried out and documented.

The Council has adequate internal controls in place to manage its day-to-day operation.

The Council has met the requirements of this control objective.

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Full Council formally approved the budget and the setting of a precept. It has been confirmed that a precept of £387,493 was requested. (MHCLG Parish Code E1302P029)

Bank reconciliations are prepared monthly for all accounts and are presented to Full Council. The bank reconciliations are approved by Council.

Budget monitoring is undertaken on a regular basis by Full Council. A budget monitoring report is generated from the accounting software.

Budget performance is reviewed by the Resources Committee. Overspends are reported where appropriate and minuted. The budget monitoring report also identifies overspends.

The Council has Earmarked Reserves in place. At year end these amounted to £484,962.

The Council has adequate General Reserve to meet the recommendation in place with specific allocated EMRs also in place as outlined above.

The Council has the following Balances as at 31st March 2026:

ACCOUNT	AMOUNT
Co-op Instant Access A/C	£592,007.98
Community Account	£2,500.67
Petty Cash	£50,00
TOTAL	£594,558.65

The Council has met the requirements of this control objective.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

The Council has no Aged Debtors.

The Council operates allotments. There is a tenancy agreement in place and allotment rents are collected annually.

The Council is a burial authority. It maintains a Register of Burials which is updated regularly.

Council is responsible for a number of sports facilities.

The Council does not have any leases in place.

Council has a number of other income streams which are properly managed and recorded.

The Council has met the requirements of this control objective.

F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.

The Council operates a petty cash account. All cash payments are supported with a receipt and VAT is claimed when appropriate.

The Council has met the requirements of this control objective.

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Each member of staff has a contract of employment in place.

A sample of staff salaries has been checked and confirmed that gross pay is calculated based on the appropriate pay scale. A sample of salaries paid during the year have been reviewed.

Tax codes are applied and included on the payslips and deductions properly calculated.

Payroll is undertaken by an external contractor. Payslips are generated and these include all the relevant information.

The Council is a member of the Local Government Pension Scheme. Employee pension contributions are correctly deducted and both these and the Employer's contributions are submitted on a monthly basis.

The Council has met the requirements of this control objective.

H. Asset and investment registers were complete and accurate and properly maintained.

An Asset Register is in place and has been reviewed. The asset register includes additions, disposals and other relevant information. Box 9: £1,478,449 corresponds with the asset register total.

A review of the asset register against the insurance schedule has been undertaken. The Council has adequate insurance in place.

Council has no long-term investments in place.

The Council does not have any loans in place at present.

The Council has met the requirements of this control objective.

I. Periodic bank account reconciliations were properly carried out during the year.

Bank reconciliations are prepared monthly for all accounts and are presented to Full Council.

The Council has met the requirements of this control objective.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Accounts are maintained on an income and expenditure basis. Appropriate accounting arrangements are in place to record debtors and creditors during the year and at year end.

The Council has met the requirements of this control objective.

K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick “not covered”).

Not covered.

L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.

The following information should be published on the Town Council’s website.

Expenditure exceeding £500

Local authorities must publish details of each individual item of expenditure that exceeds £500. [Published as part of the monthly payments list.](#)

Government Procurement Card transactions

Local authorities must publish details of every transaction on a Government Procurement Card [\(not applicable\).](#)

Procurement information

Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. [Not currently published.](#)

Contracts

Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. [Not currently published.](#)

Information to be published annually

The following information should be published annually:

- Local authority land (The Asset Register) [Published](#)
- Social housing assets [Not applicable](#)
- Grants to voluntary, community and social enterprise organisations [Published as part of the relevant minutes.](#)
- Organisation chart (Staff structure with Council and Committee structure) [Not currently published](#)

- Trade union facility time (only applicable if you provide facilities for union representatives) [Not applicable](#)
- Parking account (to be published if parking income received) [Not applicable](#).
- Parking spaces (publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces) [Not applicable](#)
- Senior salaries (Council has no Officers paid over the £50,000 threshold) [Not currently published](#).
- Constitution (Standing Orders) [Published](#).
- Pay multiple (see the code) [Not currently published](#).
- Fraud (see the code) [Not currently published](#). [No cases of fraud are currently being investigated](#).

The Council has met the requirements of this control objective.

M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set*).

Council met the requirements for the exercise of public rights The public notice ran from 4th June 2025 to 15th July 2025 and meets the 30 day statutory requirement.

The Council has met the requirements of this control objective.

N. The authority has complied with the publication requirements for 2024/25 AGAR.

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage: Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited: [Published](#).
- Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4: [Published](#)
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: [Published](#)

Not later than 30 September 2025 authorities must publish:

- Notice of conclusion of audit: [Published](#)
- Section 3 - External Auditor Report and Certificate: [Published](#)
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review: [Published](#)

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3. [Published](#).

The Council has met the requirements of this control objective.

O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

The Council has a .gov.uk domain for its email accounts and its website. Staff and Councillors are provided with an official .gov.uk email address and these are publicised on the website. Emails are managed within a secure environment by the Council.

The Council has met the best practice requirements for emails and has a directly owned domain name for its website.

The Council has an IT policy in place: [IT-Policy-2026.pdf](#)

The Council has an Accessibility Statement published on its website. ([Accessibility Statement – Easington Colliery Parish Council](#))

Note that since September 2020, all parish and town councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

An assessment using Wave, a Basic Accessibility Test (BAT) application, was run and the website achieved 9.4 out of 10. [WAVE Report of Easington Colliery Parish Council – News and updates from Easington Colliery Parish Council](#)

Data Protection – Council has the following data protection processes in place:

- Data Protection policy on data handling, storage and sharing. This includes data breach and subject access processes;
- Regular training to ensure all staff and members are trained on data protection principles and practices has been undertaken;
- Secure data using appropriate technical and organisational measures to protect personal data from breaches.

Council will need to ensure that the following are updated as required:

- The data audit;
- GDPR training for staff and councillors;
- Ensure that both hard copy and electronic data have relevant protections in place. (this has been confirmed)

A Freedom of Information Publication Scheme in place. The Council meets the Smaller Councils Transparency Code as required.

The Council has met this control objective.

P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Council is not a sole trustee.