

Clare Evans
Town Clerk
Houghton Regis Town Council
Council Offices
Peel Street
Houghton Regis
Bedfordshire
LU5 5EY

8th June 2026

Dear Clare,

Year End Internal Audit Report

An audit was carried out by Kevin Rose on Friday 5 June 2026. This was the Year End audit following on from the interim audits carried out on 11 November 2025 and 30 March 2026.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 211 items. A total of 59 items were tested during this audit in addition to the 152 items tested and checked during the interim audit process. All items on the checklists were tested during the year.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

-Exemption from External Audit (Box K)

-Trust Funds (Box P)

(Please refer to the explanation of my 'Not Covered' responses on Page 3)

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- Exemption from External Audit (Box K)
- the Publication of the Annual Governance and Accountability Return (Box N)
- Trust Funds (Box P)

Summary of tests undertaken during this audit

Positive response	33
Negative response	1
Not Applicable to your Council	25
Total tests carried out	59

Of the 34 applicable items tested a Positive response was obtained in respect of 33 tests. There was 1 Negative response identified and 1 Observation was made, details of which are set out in the attached Year End Internal Audit Observations.

Summary of tests undertaken for the financial year (including interim audit work)

Positive response	157
Negative response	9
Not Applicable to your Council	45
Total tests carried out	211
Tests not carried out	Nil

I am pleased to advise that no 'Non-Compliances' were identified that would give rise to a negative response on the statutory Annual Internal Audit Report.

Based on the audit testing carried out I am satisfied that the Council's internal controls were effective during the 2025/26 financial year.

I would like to express my thanks for the assistance and hospitality provided to me during my audit.

Yours sincerely,



Kevin Rose ACMA
Director

Internal Audit 'Not Covered' Responses

Internal Control Objective	Reason for Not Covered Response
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”	The reason for the “Not Covered” response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from a limited assurance review for the relevant financial year.
P: (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	The reason for the Not Covered response for Objective P as it is our understanding that the Council does not act as Trustee.

Houghton Regis Town Council

Audit 1 Date: 11/11/2025
 Audit 2 Date: 30/03/2026
 Year End Audit Date: 05/06/2026



Internal Audit Summary for the year 2025-26

(shaded Internal Control Objectives are not applicable to your Council)

Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
A	Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0	0	6	0	0	0
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	4	0	1	3	0	0	34	3	4	0
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	0	0	1	0	0	11	1	2	0
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1	0	0	1	0	0	15	1	2	0
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	0	0	0	0	0	0	17	0	5	0
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	0	0	0	0	9	0	0	0
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.	0	0	0	0	0	0	18	0	8	0
H	Asset and investments registers were complete and accurate and properly maintained.	0	0	0	0	0	0	8	0	4	0
I	Periodic bank account reconciliations were properly carried out during the year.	1	0	0	1	0	0	15	0	1	0
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.	1	0	0	1	0	0	9	1	1	0
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")	0	0	0	0	0	0	0	0	3	0
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.	2	0	0	1	1	0	1	1	7	0

Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
M	<i>The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).</i>	0	0	0	0	0	0	5	0	0	0
N	<i>The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).</i>	1	0	0	0	1	0	6	1	1	0
O	<i>The authority complied with laws, regulations & proper practices relating to digital and data compliance.</i>	1	0	1	0	0	0	3	1	0	0
P	<i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	0	0	0	0	0	0	0	0	7	0
Total		12	0	2	8	2	0	157	9	45	0

Interim audit summary Houghton Regis Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Audit 2 Date

30 March 2026

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A	Appropriate accounting records have been properly kept throughout the financial year.	-	-	-	-	-	
Box B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	-	5	4	1	1	
Box C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	3	2	-	-	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	-	-	-	-	-	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	3	8	5	-	-	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	-	-	-	-	-	
Box 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.	2	17	15	-	-	
Box H	Asset and investments registers were complete and accurate and properly maintained.	-	-	-	-	-	
Box I	Periodic bank account reconciliations were properly carried out during the year.	-	-	-	-	-	
Box 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.	-	-	-	-	-	
Box 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")	-	-	-	-	-	
Box 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.	7	8	1	-	1	
Box M	The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	-	-	-	-	-	
Box N	The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	-	1	1	-	-	
Box O	The authority complied with laws, regulations & proper practices relating to digital and data compliance.	-	4	3	1	1	
Box P	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	-	-	-	-	-	
Totals		13	46	31	2	3	-

Interim audit summary Houghton Regis Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Audit 1 Date 11 November 2025

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A	Appropriate accounting records have been properly kept throughout the financial year.	-	6	6	-	-	
Box B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	3	35	30	2	3	
Box C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	9	7	1	1	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	2	16	13	1	1	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	-	10	10	-	-	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	-	9	9	-	-	
Box 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.	-	-	-	-	-	
Box H	Asset and investments registers were complete and accurate and properly maintained.	-	-	-	-	-	
Box I	Periodic bank account reconciliations were properly carried out during the year.	1	7	6	-	1	
Box 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.	-	2	2	-	-	
Box 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")	-	-	-	-	-	
Box 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.	-	1	-	1	1	
Box M	The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	-	5	5	-	-	
Box N	The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	-	6	5	1	1	
Box O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	-	-	-	-	-	
Totals		7	106	93	6	8	-

Year End audit summary Houghton Regis Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Year End Audit Date

5 June 2026

Internal Control Objective	N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A <i>Appropriate accounting records have been properly kept throughout the financial year.</i>	-	-	-	-	-	-
Box B <i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	1	1	-	-	-	-
Box C <i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	-	2	2	-	-	-
Box D <i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	-	2	2	-	-	-
Box E <i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	2	4	2	-	-	-
Box F <i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	-	-	-	-	-	-
Box G <i>Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</i>	6	9	3	-	-	-
Box H <i>Asset and investments registers were complete and accurate and properly maintained.</i>	4	12	8	-	-	-
Box I <i>Periodic bank account reconciliations were properly carried out during the year.</i>	-	9	9	-	-	-
Box J <i>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.</i>	1	9	7	1	1	-
Box K <i>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")</i>	3	3	-	-	-	-
Box L <i>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.</i>	-	-	-	-	-	-
Box M <i>The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).</i>	-	-	-	-	-	-
Box N <i>The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).</i>	1	1	-	-	-	-
Box O <i>The authority complied with laws, regulations & proper practices relating to digital and data compliance.</i>	-	-	-	-	-	-
Box P <i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	7	7	-	-	-	-
Totals	25	59	33	1	1	-

Houghton Regis Town Council
Financial Year 2025-26

Date considered by Council 15th December 2025



Audit date: 11 November 2025

Visit 1 Internal Audit Observations

Minute Reference 13473

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Have payments been approved as required under Council Financial Regulations?	No	<i>Payments have not been approved as required under the Councils Financial Regulation 6.10 which requires that "A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting."</i>	The Council to review its compliance with Financial Regulation 6.10. The Council should amend either the process in place, or the financial regulation, to ensure they both agree.	High	Actioned. April, May, June and Julys signed payments list attached to the minutes of the Corporate Services meeting held on the 1st September 2025.
2	Council has in a place a process to regularly check and agree supplier statements of account	Yes	<i>It was noted that there are a large number of unallocated amounts on the creditors ledger (although the value of these is not high)</i>	The Council to review the purchase ledger and ensure that any unallocated amounts are correctly allocated. Any unallocated debit balance should be queried and cleared.	Medium	The creditors list will be cleared prior to year end.
3	Is the tender level in Financial Regulations and Standing Orders set at the same level?	No	<i>It was noted that the tender threshold in Standing Orders, at £30,000, differs from that set in Financial Regulations which is £100,000</i>	The Council to review the tender level set in its Financial Regulations and Standing Orders and ensure that it is the same.	Medium	Request for this to be regularised at the Council meeting to be held on the 15th December 2025

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	No	<i>Minutes record the Councils Fidelity Insurance as £5 million - this is now below Council bank holdings.</i>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	To be considered at the Corporate Services committee meeting to be held on the 2nd March 2026

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
-----	------------	----------	-------------	----------------	----------	----------

1	Council has reviewed independence of the Internal Auditor	No	<i>It was noted that the Council has not formally considered the independence of the Internal Auditor as set out in the Practitioner's Guide paragraph 4.11</i>	The Council to ensure that , on an annual basis, it formally considers the independence of the Internal Auditor. It may be appropriate for this to be done at the same time as the Council considers the Annual Internal Audit Report.	Medium	To be considered at the Corporate Services committee meeting to be held on the 2nd March 2026
---	---	----	---	--	--------	---

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Bank reconciliations, and supporting bank statements, have been signed and dated as evidence of independent review (Interim)	Yes	<i>It is not currently practice for the CCLA statement to be reviewed and signed. Other bank statement have been signed.</i>	The CCLA statement should be subject to the same review and signature process as other bank accounts.	Medium	Actioned. CCLA statement, starting from August 2025, signed at Corporate Services committee meeting held on the 1st December 2025

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.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has complied with the publication requirements of the ICO Model Publication Scheme for Parish Councils. (This includes a requirement to publish the Annual Internal Audit Report).	No	<i>The Council has not complied with the publication requirements of the ICO Model Publication Scheme for Parish Councils. - Re: Listing of payments over £100.</i>	The Council to review its compliance with the ICO Model Publication Scheme. The Council to note that the scheme must be adopted in full unless specific exemption has been obtained from the Information Commissioner's Office.	Advisory	Purchase Ledger payments have historically been listed. <u>ALL</u> payments will be included from October 2025.

N *The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has published the Notice of Conclusion of Audit on its website in accordance with the requirements of Regulation 16 of the Accounts and Audit Regulations	No	<i>The Council has not published the Notice of Conclusion of Audit on its website in accordance with the requirements of Regulation 16 of the Accounts and Audit Regulations. At the date of the interim audit the External Audit Report had not been received.</i>	Council to note.	Low	Members were advised at the Town Council meeting held on the 13th October 2025, that due to the delay by the Town Councils appointed external auditor the town council was unable to publish their audited AGAR and completion notice in accordance with the requirements. The Town Council published both of these documents onto their website on the 17th November 2025, as soon as they were received.

Houghton Regis Town Council
Financial Year 2025-26

Date considered by Council 15th June 2026



IAC Audit and Consultancy Ltd

Audit date: 5 June 2026

Year End Internal Audit Observations

Minute Reference 13594

J

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Any changes to prior year Accounting Statement values have been correctly recorded	No	<p><i>It was noted that the restated Box 5 number of the prior year (2024-25) did not agree to the Rialtas accounting system. This was due to the wrong classification of the loan costs on Tithe Farm Pavillion.</i></p> <p><i>This was subsequently amended</i></p>	Council to note.	Medium	Council noted