

## Internal Audit Report for Great Blakenham Parish Council for the period ending 31 March 2026

Clerk	Karen Grimwood
RFO (if different)	-
Chairperson	Nick Leonard
Precept	£55,125
Income	£66,299
Expenditure	£68,384
General reserves	£76,186
Earmarked reserves	£102,699
Audit type	Annual <b>Non-exempt authority</b>
Auditor name	<b>Kim Puttock</b>

### Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption

- the integrity and reliability of information, accounts, and data

## Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2025/26 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

<b>Section 1 – Financial Regulation and Standing Orders</b>		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
Have Standing Orders been adopted, up to date and reviewed annually?	<i>Partially met</i>	<p>Council’s Standing Orders are based on the latest model published by the National Association of Local Councils (NALC), April 2025, however they have not been tailored to the use of the council.</p> <p>Council approved its Standing Orders at a meeting of full council held 11 September 2025 (min ref: 8h).</p> <p><b>RECOMMENDATION: Round and square brackets feature throughout indicating that the Standing Orders have not be tailored to the needs of the council. A model standing order that includes brackets like this ‘ ( ) ’ requires information to be inserted by a council. A model standing order that includes brackets like this ‘ [ ] ’ and the term ‘OR’ provides alternative options for a council to choose from when determining standing orders.</b></p>
Are Financial Regulations up to date and reviewed annually?	Yes	<p>Financial Regulations, as seen on the Council’s website, are based on the latest model published by NALC, Model Financial Regulations March 2025 with provisions included as outlined under <a href="#">NALC Advice Note – Procurement, 3 February 2026</a>.</p> <p>Council approved its Financial Regulations at a meeting of full council held on 9 October 2025 (min ref: 8a).</p>

Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.  <i>COMMENT: There are sections within the Financial Regulations on the council website which have not been tailored to the council, denoted by square brackets [ ]. These sections should be adapted to the needs of the council.</i>
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	In accordance with Section 151 of the Local Government Act 1972 (financial administration), the Council has appointed a person (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. Council's Financial Regulation 1.5 confirms that the Clerk is so appointed.
<p><b><i>Additional comments:</i></b></p>		

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<sup>1</sup> Section 151 Local Government Act 1972

<b>Section 2 – Budgetary controls</b>		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	<p>The budget for the year 2025/26 was approved at the full council meeting on 21 November 2024 (min ref: 8a). Although there is no clear confirmation within the minutes as to the final budget figure being set, budget papers as seen on the website provide details on the budget, precept and implications for Band D Council Tax.</p> <p><i>COMMENT: To ensure transparency in the budgetary process Council might wish to evidence by recording within the minutes, the budget being set alongside the reasoning for such a budget. Council might also wish to consider uploading a clearer document showing the budget as it is currently not clear that the “next year” figures relate to 2025/26.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept was set at £55,125 for 2025/26, as confirmed by full council at the above meeting (min ref 8a.), with the paperwork demonstrating that this was a 5% increase over that set the previous year.</p>
<i>Regular reporting of expenditure and variances from budget</i>	No	<p>The minutes evidence that Council carried out a quarterly finance review at the full council meeting on 10 July 2025 (min ref: 9c).</p> <p><b>RECOMMENDATION: Council in accordance with its own standing order 17c should produce regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council’s own Standing Orders.</b></p>

<p><i>Reserves held – general and earmarked<sup>2</sup></i></p>	<p>Yes</p>	<p>The Council, as at year-end, had Earmarked Reserves totalling £102,699 with the balance being General Reserves of £76,186 with overall reserves standing at £178,885.</p> <p>General reserves are higher than that recommended, or that specified in the councils Reserves Policy which details that the level of general reserves to be held by the Council needs to be approximately 50% of the annual precepted figure, i.e. to fully cover approximately six months contracted expenditure. If this were the case the general reserves should be in the region of £27,563.</p> <p><b>RECOMMENDATION: It is recommended council consider the value held and the purpose of these funds giving consideration to any long term projects or needs of the council that would see these be earmarked reserves rather than general.</b></p> <p><i>COMMENT: The minutes of the full council meeting on 12 March 2026 (min ref: 8a) confirm that the Reserves Policy was reviewed and adopted, however, the version on the website is dated November 2024. Council may wish to upload the reviewed policy to the website.</i></p>
<p><b>Additional comments:</b></p>		

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<sup>2</sup> In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

<b>Section 3 – Proper bookkeeping</b>		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses Rialtas accounting package to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the Parish Council are as accurate as reasonably practicable. All transactions are well referenced and provide an effective tool for the basis of the council’s internal controls.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>  (under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)	Yes	Council’s gross income and expenditure level is below the threshold of £200,000 and has been for three continuous years. Council’s operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out on the inputting of the payments / receipts and all were found to be correct. Calculations are automatic through the Rialtas system.
<p><b>Additional comments:</b> The RFO has shown best practice by ensuring that the minutes make reference to the powers used to incur expenditure, however all expenditure is shown as being incurred against Local Government Act 1973, s111.</p> <p>Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law.</p> <p><i>COMMENT: Council might wish to review the powers used to incur expenditure. For example, the following alternative powers could be used: cost of maintaining the defibrillator - Public Health Act 1936 s234, the grounds work in the cemetery - Local Government Act 1972 s214, staff costs - Local Government Act 1972 s112 and the provision of grit bins - Highways Act 1980 s185.</i></p>		

<b>Section 4 – Payment controls</b>		
The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	<p>A selection of expenditure items were reviewed made and cross-checked against the cash book, invoices and bank statements. At each full council meeting a list of payments is presented to ensure formal approval of expenditure and this is correctly minuted. This demonstrates good practice in that there are measures in place that help safeguard public money supported by a straightforward and clear audit trail for each payment.</p> <p>For the year under review, there were no tenders or contracts over £30,000 including VAT, for which the council needed to comply with the requirements of the Procurement Legislation regarding the publication of invitations and notices. Nor were there any contracts estimated to exceed £60,000 including VAT, for which the Clerk needed to advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation.</p> <p><i>COMMENT: The Parish Council shows good practice by ensuring that retrospective payments incurred for the month are submitted to and approved by full council in accordance with Council's Own Standing Orders and Financial Regulations.</i></p>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's expenditure.
Is VAT correctly identified, recorded, and claimed within time limits?	No	VAT is identified in the cash book however, the internal auditor identified several invoices where VAT could be reclaimed but which were not

		<p>showing the VAT element in Rialtas, for example Three invoices have VAT included as do the Amazon invoices that were checked.</p> <p>The VAT reclaim for the period covering 1 April 2025 to 31 January 2026 was for the sum of £1,159.76 which has been verified in the cashbook and bank statements. The year-end balance stands at £685.15 which is still to be claimed.</p> <p><b>RECOMMENDATION: Council should revisit the cashbook to ensure that VAT is being recorded correctly in Rialtas and that appropriate VAT reclaims are being done.</b></p>
<p>Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly?<sup>3</sup></p>	<p>N/A</p>	<p>Council has not adopted the General Power of Competence.</p>
<p>Are payments under s.137<sup>4</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?</p>	<p>No</p>	<p>Payments identified as being made under this power for the year under review totalled £2,500 (12 February 2026, min ref: 8a) and were separately recorded in the cashbook and were of a direct benefit of the electorate.</p> <p>Further donations were made totalling £3,650 in the year under review however it is not clear under what power these donations were made although it appears from meeting minutes that the expense has been incurred under Local Government Act 1972, s111.</p> <p><b>RECOMMENDATION: Council should revisit the power used to make donations. If a council does not qualify for the General Power of Competence, they must use Section 137. This acts as a "power of last resort" for community benefit.</b></p> <p><b>RECOMMENDATION: Council should consider clearly identifying s137 in meeting minutes both when the donation is agreed to be made and also on the payments list.</b></p>

<sup>3</sup> Localism Act

<sup>4</sup> Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £11.10 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		<i>COMMENT: council is reminded that s137 is a capped power and payments should be within statutory limits and deemed to be of benefit to those living in the area.</i>
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loan.
<b><i>Additional comments:</i></b>		

<b>Section 5 – Income controls</b>		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council’s Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. In accordance with proper practices, the RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full council within the financial reports submitted to full council in accordance with council’s financial regulations
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Yes	Council received precept in the sum of £55,125 from Mid Suffolk District Council for the period under review as reported to full Council within its Financial Reports at its meetings in (May 2025 and October 2025). Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council’s Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>5</sup></i>	N/A	During the year under review no CIL income or expenditure was evidenced.
<i>Is CIL income reported to the council?</i>	N/A	No income or expenditure was evidenced during the period under review.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The draft CIL annual report for 2024/2025 shows that there is a retained balance of £64,472.70 which has been transferred into an Earmarked Reserve specifically allocated, in accordance with the Regulations.

<sup>5</sup> Community Infrastructure Levy Regulations 2010

		<b>RECOMMENDATION: Council should revisit the CIL figures in the cashbook EMR as the amount does not match that as reported for the year ending 2024/25.</b>
<i>Has an annual report been produced?</i>	<i>No</i>	Council is yet to produce and publish its report for 2025/2026.
<i>Has it been published on the authority's website?</i>	<i>No</i>	As Council is yet to produce the report, there is no information published on the council website.
<b><i>Additional comments:</i></b>		

<b>Section 6 – Petty cash</b>		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
<b>Evidence</b>		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>No</i>	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	<i>N/A</i>	
<b>Additional comments:</b>		

<b>Section 7 – Bank reconciliation</b>		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
<b>Evidence</b>		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	<p>Bank reconciliations are completed on a monthly basis and reconcile with the cash sheets. There is regular reporting of bank balances within the financial reports submitted to full council.</p> <p><i>COMMENT: Council has understood that the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.</i></p>
<i>Do bank balances agree with bank statements?</i>	Yes	<p>Bank balances agree with period end statements and, as at year end (31<sup>st</sup> March 2026) the balance across the council's accounts stood at £178,884.70 as recorded in the Statement of Accounts and on the Year-end Bank Reconciliation.</p> <p>In accordance with proper practices where the authority has bank balances in excess of £100,000 it should have an appropriate investment strategy.</p> <p><b>RECOMMENDATION: Council might wish consider adopting an investment policy which will define the council's investment objectives in relation to specified and non-specified investments to be placed with banks, building societies, local authorities or other public authorities or other recognised funds specifically targeted at the Public Sector along with reporting strategies and review periods.</b></p>

<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council. The minutes of Full Council meetings, demonstrate that a review of the bank reconciliation versus the bank statements has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives. The bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows and therefore aids decision-making.
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<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 March 2026. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full council for approval and payment is made via internet banking in accordance with Council's own Financial Regulations.  The minutes of the full council meeting of 11 September 2025 (min ref: 8e), confirm that the Council approved amendments to the Clerk's contract as a result of the 2025/26 pay award.  <i>COMMENT: Council has noted the requirement to ensure that it formally approves amendments to any employee's pay, emoluments, or terms and conditions of employment.</i>
<i>Are all employees paid at least the minimum wage?</i>	Yes	Employee is paid above the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place utilising the SALC Payroll service which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.

<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>6</sup></i>	Yes	Council is aware of its pension responsibilities and payments are made in accordance with timescales agreed with the Council's Pension Provider.
<i>Have pension re-declaration duties been carried out</i>	Yes	The council completed its re-declaration of compliance with The Pensions Regulator in June 2024.  <i>Comment: if the Council last carried out its re-enrolment duties in 2024, it will be aware that every three years further re-enrolment duties will apply. Council should ensure that it comply with any deadlines for 2027 as stated in communications from the Pension Regulator.</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.
<b><i>Additional comments:</i></b>		

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<sup>6</sup> The Pension Regulator – [website click here](#)

<b>Section 9 – Year End procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments or income and expenditure basis and all found to be in good order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review.  There is a full audit trail from records to presented accounts.
<i>Has the appropriate end of year AGAR<sup>7</sup> documents been completed?</i>	Yes	The Council is a smaller authority with gross income and expenditure exceeding £25,000, it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2024- 2025, the Council correctly provided for the exercise of elector’s rights during Summer 2025. The RFO had set the dates for the inspection of the Council’s accounts and associated documents as 1 July 2025 to 11 August 2025 with the date of the notice being 30 June 2025.  <i>COMMENT: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise of elector’s rights and published a copy of the required “Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection. This is evidenced by the notice on the</i>

<sup>7</sup> Annual Governance & Accountability Return (AGAR)

		<p><i>website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?<sup>8</sup></i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council did comply with the requirements of the Accounts and Audit Regulations 2015 for the year ending 31<sup>st</sup> March 2025 as it published the following on its website:</p> <ul style="list-style-type: none"> <li>• Annual Internal Audit</li> <li>• Section 1 - Annual Governance Statement</li> <li>• Section 2 - Accounting Statements</li> <li>• Section 3 - The External Auditor Report and Certificate</li> <li>• Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015.</li> </ul> <p><i>Comment: Council might wish to note that there is a requirement to ensure that Sections 1, 2 and 3 are published and remain available for public access for a period of not less than 5 years from the date of publication.</i></p>
<p><b>Additional comments:</b></p>		

<sup>8</sup> Accounts and Audit Regulations 2015

<b>Section 10 – Risk management</b>		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by full council at its meeting on 10 July 2025 (min ref: 8b).
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that the risk assessment needs to focus on the safety of the parish council's assets, and particularly its money. There is evidence that overall, the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to avoid financial or reputational consequences.  <i>COMMENT: Council has in place monitoring documents which identify the risks involved and the potential for improvements to its arrangements to protect public money. It provides the opportunity for reviews of operational as well as financial and governance reviews by members to ensure that it has mitigation measures in place to address the risks associated with the council's day to day operations.</i>
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Yes	Council has insurance in place under a specialist policy for local councils with Ansvr Insurance which shows core cover for the following: <ul style="list-style-type: none"> <li>• Public/Products Liability: £10,000,000</li> <li>• Employers' Liability: £10,000,000 and</li> <li>• Fidelity Guarantee of £100,000</li> </ul> At renewal, Council entered into a 12-month agreement (expiry 30 September 2026) with Ansvr Insurance.

		<i>COMMENT: Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April.</i>
<i>Evidence that internal controls are documented and regularly reviewed<sup>9</sup></i>	<i>Partially met</i>	<p>At the meeting on 9 October 2025, Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances.</p> <p><b>RECOMMENDATION: The adoption of an Internal Control Report (model templates are available from SALC) would provide the basis for council to demonstrate that, under the Accounts and Audit Regulations 2015, it has in place safe and efficient arrangements to safeguard public money which are annually reviewed and assessed for their effectiveness. Such an assertion would be used to inform the council's preparation of its annual governance statement.</b></p>
<i>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<sup>10</sup></i>	<i>No</i>	<p>Council has not formally reviewed the scope and effectiveness of its internal audit arrangements.</p> <p><b>RECOMMENDATION: In accordance with the Accounts and Audit Regulation 2015, the parish council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</b></p>
<b>Additional comments:</b>		

<sup>9</sup> Accounts and Audit Regulations

<sup>10</sup> Practitioners Guide

<b>Section 11 – Asset control</b>		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
<b>Evidence</b>		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>11</sup></i>	Yes	The draft Asset Register submitted for the internal audit review, was reviewed during the year and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	It is noted that the declared value for all assets at year-end (31.03.2026) is £90,043.62 which reflects overall movement in the asset register covering acquisitions and disposals. For comparison, the declared value of the asset register as at 31.03.2025 was £91,254.65.  <i>Comment: Council is mindful of the guidance within the Practitioner's Guide 2025 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.</i>
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council has not declared that it has any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	No	The Internal Auditor has not been able to find evidence of the Asset Register being reviewed during the year under review.

<sup>11</sup> Practitioners Guide

		<p>The Annual Governance and Accountability Return (AGAR) for the internal audit review shows an asset value of £0.00 which does not agree with that detailed in the draft Asset Register submitted for internal audit review.</p> <p><b>RECOMMENDATION: In accordance with the Governance and Accountability for Smaller Authorities for England (March 2025), Council may wish to review the figure inserted at line 9 of the Accounting Statements 2025/26 (Section 2). The value of all the fixed assets, long-term investments and debtor long-term loans the authority owns should be entered in line 9. The term fixed assets mean the property, plant and equipment used by the authority to deliver its services. A long-term investment arises where the authority invests money in anything other than a short-term investment.</b></p> <p><b>RECOMMENDATION: The lack of review during the period under review has resulted in the Annual Internal Audit Report Control Objective H. ‘Asset and investment registers were complete and accurate and properly maintained’ being given a ‘NO’ response.</b></p>
<p><i>Cross checking of insurance cover</i></p>	<p>Yes</p>	<p>The asset register lists items under insurance that fall within the Council’s remit for maintenance and ownership. The register states value as at the date of acquisition and where assets have been gifted or have an unknown value been given an approximate value.</p> <p>Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule.</p>
<p><b>Additional comments:</b> Councils should be mindful of the guidance in the Governance and Accountability for Smaller Authorities for England (March 2025) regarding valuation of assets and ensure that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied and if/where amended it will need to publish and provide explanations in changes in value to any previously recorded assets.</p>		

<b>Section 12 – Assertion 10</b>		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners’ Guide 2025.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?<sup>12</sup></i>	Yes	The Council is correctly registered with the Information Commissioner’s Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	No	<p>It is not clear that Council reviewed its Publication Scheme and the Information available under the Model Publication Scheme detailing the type of information the Council holds and how it will make it available to the public in 2025/26. The documents available on the website either do not have a date of review/adoption or they are dated 2025.</p> <p><b>RECOMMENDATION: Council should seek to review the existing policies to ensure they accurately reflect council’s activities undertaken and the manner in which information will be made available. Council may also wish to consider including an adoption and review date to assist with version control.</b></p> <p><i>COMMENT: Under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. Council should seek to review the information it holds under its scheme and ensure that it is up to date and ensure that it is available to view on its website.</i></p>

<sup>12</sup> Data Protection Act 2018

<p><i>Is the Council compliant with the General Data Protection Regulation requirements?<sup>13</sup></i></p> <p><i>Councils must:</i></p> <ul style="list-style-type: none"> <li>• <i>Comply with their legal &amp; statutory obligations under UK GDPR &amp; The Data Protection Act 2018</i></li> <li>• <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i></li> <li>• <i>Recognise their role as both data controller and data processor</i></li> </ul>	<p>No</p>	<p>Council has still to show compliance with the regulations. All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018. All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.</p> <p>The following is in place:</p> <ul style="list-style-type: none"> <li>• Data Protection and Information Management Policy – last reviewed 9 October 2025</li> </ul> <p>The following policies/procedures need to be adopted:</p> <ul style="list-style-type: none"> <li>• Privacy Policy (including for employees/volunteers and evidence of review)</li> <li>• Procedures for dealing with subject access requests</li> <li>• Procedures for dealing with freedom of information requests</li> <li>• Procedures for dealing with data breaches</li> </ul> <p><b>RECOMMENDATION: Councils, including parish meetings must:</b></p> <ul style="list-style-type: none"> <li>• <b>Comply with their legal &amp; statutory obligations under UK GDPR &amp; The Data Protection Act 2018</b></li> <li>• <b>Process personal data lawfully, fairly and in line with the prescribed data protection principles</b></li> <li>• <b>Recognise their role as both data controller and data processor</b></li> </ul> <p><i>COMMENT: To achieve best practice, councils are recommended to:</i></p> <ul style="list-style-type: none"> <li>• <i>Carry out data protection audits, mapping personal data being processed and carrying out data risk assessments.</i></li> <li>• <i>Provide regular data protection compliance training for council staff and councillors.</i></li> </ul>
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<sup>13</sup> UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

		<ul style="list-style-type: none"> <li>• <i>Have appropriate information compliance policies and ways of working in place that reflect how the council operates to protect personal data from breaches</i></li> </ul>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>No</p>	<p>Whilst the <a href="#">Local Government Transparency Code 2015</a> applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,000, Smaller Authorities with total turnover or expenditure greater than £25,000 but under £200,000, should as best practice comply with the Local Government Transparency Code 2015; the government believes that in principle all data held and managed by local authorities should be made available to the public unless there are specific sensitivities to doing so, as per the Practitioners' Guide 5.127.</p> <p><b>RECOMMENDATION: Council might wish to review its provisions and consider whether it might be able to work towards ensuring compliancy with the requirements of publishing the following data on its website in accordance with the required timescales:</b></p> <p><b>Publish quarterly:</b></p> <ul style="list-style-type: none"> <li>• Individual items of expenditure that exceed £500 (currently published on an annual basis);</li> <li>• Government Procurement Card transactions; Invitations to tender for contracts over £5,000;</li> <li>• Details of contracts that exceed £5,000</li> </ul> <p><b>Publish annually:</b></p> <ul style="list-style-type: none"> <li>• Details of all land and building assets;</li> <li>• Grants to Voluntary, Community and Social Enterprise Organisations;</li> <li>• Organisational Chart</li> </ul>

<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>14</sup></i></p>	<p>No</p>	<p>WCAG2.2 is the standard that provides guidelines / recommendations for making web content accessible to people with disabilities, covering blindness, low vision, hearing loss, cognitive limitations, and more, with a key focus on mobile accessibility, low vision needs, and clearer focus indicators than its predecessors. Its main focus is ensuring that websites and apps are “perceivable, operable, understandable, and robust (POUR) for all users, including those with situational disabilities”.</p> <p><b>RECOMMENDATION: In addition to the statement by the website provider, that the council publishes an accessibility statement to meet the legal requirements under the Public Sector Bodies Accessibility Regulations 2018. The Government digital accessibility webpage provides detailed guidance.</b></p> <p><i>COMMENT: At a minimum a council’s website must include an accessibility statement on their website and keep it under regular review. This statement should include reasons for not meeting accessibility requirements, ways to source alternative copies of non-accessible documents and a point of contact.</i></p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>No</p>	<p>The website was last tested against WCAG2.2AA in November 2024.</p>
<p><i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?<sup>15</sup> For example <a href="mailto:clerk@abccouncil.gov.uk">clerk@abccouncil.gov.uk</a> or <a href="mailto:clerk@abccouncil.org.uk">clerk@abccouncil.org.uk</a></i></p>	<p>Yes</p>	<p><i>COMMENT: this ensures that sensitive information is handled in a controlled environment with appropriate security measures. This aligns with GDPR principles such as data minimisation, integrity and confidentiality. Authority-owned email accounts provide a clear record of communications, which is essential for transparency and accountability. This helps in maintaining an audit trail and ensures all council-related communications are accessible for review if needed and makes Data Subject Access and Freedom of Information Requests easier to manage.</i></p>

<sup>14</sup> Website Accessibility Regulations 2018

<sup>15</sup> Practitioners Guide

<p><i>Does the council have an IT policy that is tailored to the council?</i> <sup>16</sup></p>	<p>No</p>	<p>To warrant a positive response to assertion 10, smaller authorities (excluding parish meetings) <u>must</u> have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.</p> <p>The IT policy on the council website is dated 30 January 2026, however there is no record of the policy having been adopted by council.</p> <p><b>RECOMMENDATION: That council adopts an IT policy that mandates the use of authority-owned email accounts for official business. These policies are designed to ensure that all communications are conducted in a manner that is consistent with the authority's standards and legal obligations. It is important to personalise the template for the specific use of your authority.</b></p>
<p><b><i>Additional comments:</i></b></p>		

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<sup>16</sup> Practitioners Guide

<b>Section 13 – Internal audit</b>		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	No	The Internal Audit Report for the period ending 31 <sup>st</sup> March 2025 was not formally considered by full Council.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	No	<p>The formal recommendations raised within the internal audit report for the year ending 31<sup>st</sup> March 2025 were as follows and those in <b>bold</b> are outstanding:</p> <ul style="list-style-type: none"> <li>• The minutes detail a 6% increase to that over recent years where there has been no change, however the actual sum being requested from the charging authority is not detailed. It is recommended council document the actual figure for transparency.</li> <li>• <b>The council should look to report its expenditure against budget at its meetings quarterly in accordance with Standing Orders 17.</b></li> <li>• <b>The general reserves is substantially higher than that recommended, or that specified in the councils Reserves Policy which details that whilst council does not look to set a blanket figure the level of general reserves needs to be approximately 50% of the annual precepted figure i.e. to fully cover approximately 6 months contracted expenditure. If this were the case the general reserves should be in the region of £26,250. It is recommended council consider the value held and the purpose of these funds giving consideration to any long term projects or needs of the council that would see these be earmarked reserves rather than general.</b></li> <li>• The figures stated in the Accounting Statements presented to the Internal Auditor were incorrect and will need to come back to council for approval prior to submission to the external auditor.</li> </ul>

		<ul style="list-style-type: none"> <li>• The AGAR states ‘The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements’. There is no evidence to detail this taking place. Minutes should detail the approval of Section 1 prior to Section 2.</li> <li>• To receive a positive response on the Annual Return, council should ensure it uses the correct form for publication on its website.</li> <li>• As detailed above, the notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015 was not the correct form.</li> <li>• <b>Council should look to provide a direct link from its own website to the District Council page.</b></li> </ul> <p>Outstanding items from 2023/24 audit:</p> <ul style="list-style-type: none"> <li>• <b>Council is to give consideration to the high level of general reserves and detail within its minutes its intention for these funds.</b></li> </ul> <p><i>Comment: in order to warrant a positive response to Assertion 7 of the Annual Governance Statement, council should seek to address the matters brought to its attention by internal (and external) audit.</i></p>
<p><i>Has the Council confirmed the appointment of an internal auditor?<sup>17</sup></i></p>	<p>Yes</p>	<p>SALC were appointed as the Council’s internal auditors for the year ending 31<sup>st</sup> March 2025 at the full council meeting on 12 February 2026 (min ref: 8d).</p>
<p><i>Has the letter of engagement been approved by full council?<sup>18</sup></i></p>	<p>Yes</p>	<p>The letter of engagement was approved by full council at the meeting on 15 April 2026 (min ref: 8a).</p> <p><i>Comment: Council has understood the requirement to ensure that it has a clear understanding of the roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i></p>
<p><b>Additional comments:</b></p>		

<sup>17</sup> Practitioners’ Guide

<sup>18</sup> Practitioners’ Guide

<b>Section 14 – External audit for the period under review</b>		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?<sup>19</sup></i>	Yes	At the meeting of full council on 9 October 2025 (min ref: 8a), Council considered the report from the External Auditor for the year ending 31 <sup>st</sup> March 2025. The Notice of Conclusion was seen on the Council’s website.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	There were no matters which come to the attention of the external auditor which have cause for concern that relevant legislation and regulatory requirements had not been met.
<b>Additional comments:</b>		

<sup>19</sup> Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

<b>Section 15 – Additional information</b>		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>20</sup>	Yes	The Annual Meeting of the Parish Council was held on 8 May 2025 and the first item on the agenda was the election of a Chair.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>21</sup>	Partial	<p>Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.</p> <p><b>RECOMMENDATION: Minutes are not held in accordance with legislation in that looseleaf minutes are only lawful if they are consecutively numbered. Council may wish to introduce consecutive page numbering.</b></p>
<i>Is there a list of members' interests held?</i>	Yes	<p>Evidence was seen on the District Authority's Website of the Register of Interests for all current Parish Councillors.</p> <p><b>RECOMMENDATION: The Council should consider establishing a link to the Register of Interests from the Council website.</b></p>
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	<p>Council does not have any Trustee Responsibilities.</p> <p><i>COMMENT: Council is advised to review its response to Line 11 - Disclosure not regarding trust funds - and refer to paragraph 2.32 of the Practitioners Guide which states that where a body is NOT a sole trustee, it must answer Yes.</i></p>

<sup>20</sup> The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

<sup>21</sup> Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

<i>Is there evidence that electronic files are backed up?</i>	<i>No</i>	It is not known if the council backs up electronic files and it is therefore assumed that the council uses a system whereby a back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	<i>N/A</i>	Council does not operate a committee structure.
<b><i>Additional comments:</i></b>		

Signed: *Kim Puttock*

**Date of Internal Audit review:** 24 May 2026 and 25 May 2026  
**On behalf of Suffolk Association of Local Councils**

**Date of Internal Audit Report:** 25 May 2026