

Internal Audit Report for Brundish Parish Council for the period ending 31 March 2025

Clerk	Amanda Austin
RFO (if different)	Councillor Carl King
Chairperson	Councillor Neil Parsons
Precept	£ 4,536.00
Income	£ 6,199.38 (internal auditor's figures see cashbook)
Expenditure	£ 4,149.98 (internal auditor's figures see cashbook)
General reserves	£ 6,367.01
Earmarked reserves	£ 9,659.58
Audit type	Annual – exempt authority
Auditor name	Victoria Waples

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 2024/25 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

Section 1 – proper bookkeeping 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.		
Evidence		Internal auditor commentary
Is the ledger maintained and up to date?	Yes	The council uses excel spreadsheets to produce accounts on a receipts and payments basis. The ledgers are maintained and were up to date. <i>Comment: during the year council opened a new savings account and transferred a sum of money from the current account into the savings account. Whilst the cashbook correctly allocated this movement, it should be noted that for the year-end figures this has overinflated the income and expenditure for the year. Overall the net impact on the cashbook is zero and this should be reflected in the year-end accounts.</i> Recommendation: council is advised to restate the figures on the exemption certificate and accounting statements as approved in May 2025.
Is the ledger on the correct basis in relation to the gross income/expenditure?	Yes	Council's gross income and expenditure level is below the threshold of £200,000 and has been for three (3) 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 (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
Is the cash book up to date and regularly verified?	Yes	The cashbook is up to date and was reconciled on a regular basis.
Is the arithmetic correct?	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order.
Additional comments: to demonstrate good practice, council should consider referencing in the cashbook the powers used to incur expenditure. Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary Local Councils must exercise their powers subject to the provisions of the general law.		

Section 2 – Financial Regulation and Standing Orders 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.		
Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	No	Council's Standing Orders as seen on the website are those that were adopted in 2018 and contain out of date provisions concerning procurement. Recommendation: council should seek to adopt the updated Model Standing Order (England) 2025 which contain amendments to section 18 to comply with new procurement legislation and ensure consistency with the revised Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. NALC have also changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project.
Are Financial Regulations up to date and reviewed annually?	No	Whilst council's Financial Regulations were reviewed at the meeting in May 2025 these are now out of date and contain provisions that have since been amended. Recommendation: as advised by SALC in March 2025, council should seek to adopt the Model Financial Regulations, tailored to the council, which replace the 2024 version.
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (Councillor King) to be responsible for the administration of the financial affairs of the relevant authority. <i>Comment: a parish councillor can also be the Responsible Financial Officer, but they cannot receive any payment for the work while they are a councillor</i>

¹ Section 151 Local Government Act 1972 (d)

		<i>or for twelve months afterwards. It is generally considered best practice that this should be avoided except as a temporary expedient.</i>
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Section 3 – Payment controls

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.

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against minutes, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. Council follows the authorisation procedures for payments as set up under its adopted financial regulations as well as the internal controls that have been put in place to safeguard public finances. <i>Comment: council ensures that there is clear evidence as to those who have made the internet payments with verification that the authorised signature has conducted a cross check prior to releasing the funds at the bank.</i>
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. The council's risk assessment documentation and internal control statement detail the procedure to be followed for the making of electronic payments in accordance with council's own Financial Regulations. Council operates with a complex mandate which follows a dual authorization process. Recommendation: there is a lack of clarity over the separation of the role of Clerk and RFO in the risk assessment and internal control statement. Council should seek to ensure that it addresses the fact that the roles are in fact conducted by two separate persons as well as addressing the risk that a serving councillor being the s151 officer is able to authorise the raising of orders which is contrary to council's financial regulations.

Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book. The VAT recoverable at year-end totals £200.75. For the year 2024-2025 VAT has been appropriately identified in relation and correctly accounted for in the spreadsheets according to the council's business and non-business activities. A VAT reclaim in the sum of £1,608.62 was received into the council's accounts on 30 th May 2024 but no information was provided as to which period this covers.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A	The council has not confirmed that it is eligible to exercise the GPOC.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	There were no payments identified as being made under this power for the year under review. <i>Comment: council is aware 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	The council has no such loans.
Additional comments:		

² Localism Act

³ 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 £10.81 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Section 4 – Risk management		
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.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	<i>Not for the year under review</i>	Whilst there was no formal assessment of the council's risk assessment documentation for the year under review, the documentation seen and adopted by council at its meeting in May 2025 for the coming year details in general terms the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. Recommendation: as council is unable to demonstrate that, in accordance with Proper Practices, the risks are being annually reviewed, assessed and appropriate measures are in place to protect public money, it should consider its response to Assertion 5 on the Annual Governance Statements for the year ending 31st March 2025.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence from the minutes 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 manage in order to avoid financial or reputational consequences. Recommendation: as mentioned under payments controls, council should seek to address the conflict with a member being a s151 Officer with its own Financial Regulations in particular regulation 10.4 " a member may not issue an official order or make any contract on behalf of the council". Whilst there are elements of the broader role of the RFO that can be conducted by a councillor, to ensure compliancy with regulation 1.8, a member of the council cannot be appointed as an Officer of the council.
<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>	<i>Not covered</i>	Whilst council has insurance in place under a Local councils policy with Zurich Municipal (effective October 2024), the schedule was not submitted for internal audit review and therefore the cover has not been reviewed.

		It is however confirmed that, during the year, council, prior to renewal, undertook a review of its insurance to ascertain whether it was adequate and that all steps had been taken to mitigate and manage identified risks with appropriate insurance. Competitive quotations were reviewed with the minutes of 11th September 2024 confirming that council would renew with a new provider. <i>Comment: Council has noted that it must be able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	<i>Partially met</i>	Whilst the Internal Control Statement adopted in May 2025 covers online banking arrangements and focuses on the risk associated with the management of public finances, there is no formal review by the council as a whole as to the effectiveness of the system of internal controls. Recommendation: The adoption of an Internal Control Statement (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.
<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 appointment⁵</i>	Yes	Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting at which the internal auditor was appointed. <i>Comment: Council is aware that 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.</i>

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Section 5 – Budgetary controls		
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		
Evidence		Internal auditor commentary
Verify that budget has been properly prepared and agreed	Yes	The budget for the year 2024 - 2025 was approved at the Council meeting of 6th December 2023. From evidence seen on the website the revenue expenditure budget was set at £3,965 be funded by the precept and known income streams. The revenue budget for the year 2025 - 2026 was approved at the council meeting of 8th January 2024. From information seen on the website, the revenue budget would be set at £4,535.00. However there is no mention in the minutes as to the actual budget set nor the reasoning for such a budget. Recommendation: given the disparity between information held online and that submitted for internal audit review, council should consider including within the body of the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.
Verify that the precept amount has been agreed in full Council and clearly minuted	Yes	The minutes of 6th December 2023 merely confirms that the precept to be levied for the year 2024 – 2025 would be a 3% increase. From paperwork seen it is confirmed that the sum to be levied was £4,536. The precept for the year 2025 – 2026 was discussed and approved at the meeting of 8th January 2025 with the minutes stating that the precept would be a 4.2% increase. From paperwork submitted it is confirmed that the sum to be levied would be £4,924. <i>Comment: in accordance with best practice, council should consider recording in the minutes the impact the precept being set would have on a Band D Dwelling in percentage terms.</i>
Regular reporting of expenditure and variances from budget	Yes	The minutes evidence that council conducted reviews covering the budget for the current year with a review of income and expenditure against budget at each meeting.

		<i>Comment: Council in accordance with its own standing order 17c produces 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.</i>
<i>Reserves held – general and earmarked⁶</i>	Yes	The Council, as at year-end, had overall reserves totalling £16,026.59 with general reserves standing at £6,367.01 and earmarked reserves at £9,659.58. <i>Comment: Council should be aware of guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves held is in accordance with an adopted General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i>
<i>Additional comments:</i>		

⁶ 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

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council's Financial Regulations. 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 £4,536 from Mid Suffolk District Council for the period under review as reported to full Council within its Financial Reports. 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?⁷</i>	Yes	CIL reporting schedules are maintained in accordance with the Regulations.
<i>Is CIL income reported to the council?</i>	N/A	Council did not receive any CIL receipts during the year under review.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL workings for 2024-2025 shows that there is a retained balance of £4,602.40 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The annual CIL statement has been produced detailing the relevant figures and carry forward balance.
<i>Has it been published on the authority's website?</i>	Yes	The annual CIL statement, as approved and signed by the council has been uploaded to the website.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

Section 7 – petty cash		
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.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>N/A</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>	
Additional comments:		

Section 8 – Payroll controls		
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.		
Evidence		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 st March 2025. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that 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. <i>Comment: Council ensures that there are suitable payroll arrangements in place 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>
<i>Minimum wage paid?</i>	No	No employee is paid the 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 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. Cross-checks were completed on a sample of payments covering salary and all were found to be in order. Deductions due to be paid to HM Revenue and Customs during the year under review were made within the requisite time periods.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities, with the member of staff confirming, at the meeting of 17 th July 2024, that they will not be joining the pension scheme.
<i>Have pension re-declaration duties been carried out</i>	No	From paperwork seen, the council last completed its re-declaration of compliance with The Pensions Regulator in December 2021.

⁸ The Pension Regulator – [website click here](#)

		Recommendation: Council should be aware that under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called 'automatic enrolment,' and details can be found at: www.thepensionsregulator.gov.uk The link below will also provide further details of Council's obligations as an employer: https://www.thepensionsregulator.gov.uk/en/employers
<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.
<i>Additional comments:</i>		

Section 9 – Asset control		
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.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as seen during the internal audit review, reflects those items listed under insurance and within the parish council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2025) is £12,423 which reflects zero movement during the year under review.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2024 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>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 conducted 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>	Yes	The values as seen on the Asset Register on the website in the sum of £12,423 (rounded) match those on the approved Accounting Statements.
<i>Cross checking of insurance cover</i>	Not covered	As the insurance schedule was not submitted for internal audit review, the internal auditor is unable to confirm the adequacy of the levels of cover.
Additional comments:		

⁹ Practitioners Guide

Section 10 – bank reconciliation 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.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the financial reports submitted to full council. <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>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 st March 2025 agree with the year-end bank statements and at year end stood at £16,026.59 across the accounts held in the parish council's name. <i>Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can ensure that the combined cash and bank balances as identified are included within the AGAR, section 2, line 8.</i>
<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 the council. <i>Comment: in accordance with council' financial regulation 2.2, at least once a quarter a member other than the RFO (councillor) should be appointed to verify the bank statements versus the reconciliation and this should be reported to the council once undertaken.</i>
<i>Additional comments:</i>		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Accounts are produced on a receipts and payments basis, and all found to be in order.
Financial trail from records to presented accounts	Yes	The end of year accounts were presented for the internal auditor review and confirmation is given that there is a clear financial trail from records to presented accounts.
Has the appropriate end of year AGAR ¹⁰ documents been completed?	Yes	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 2. The Accounting Statements were submitted in completed form for the internal audit review having been approved on 7 th May 2025. Recommendation: council is advised to revisit the approved documents noting the amendments to its overall income and expenditure as mentioned under Proper Bookkeeping above.
Did the Council meet the exemption criteria and correctly declared itself exempt?	Yes	As the Parish Council had gross income and expenditure not exceeding £25,000 during 2023-2024, it was able to declare itself exempt from a limited assurance review for the year ending 31 st March 2024. The minutes of 15 th May 2024 demonstrate that Sections 1 and 2 and the Certificate of Exemption were reviewed, and permission was given for the Chair and Clerk to sign the documents. <i>Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.</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?	Yes	The internal auditor is able to confirm that the notice of the public rights seen on the website had the dates of 27 th May to 15 th July 2024 with the form dated 30 th May 2024. <i>Comment: Within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council</i>

¹⁰ Annual Governance & Accountability Return (AGAR)

		<i>correctly provided for the exercise 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.</i>
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31st March 2024 and has published the following on a public website, those in bold are missing from the website: • Certificate of Exemption • Annual Internal Audit Report • Section 1 – Annual Governance Statement of the AGAR • Section 2 – Annual Accounting Statements of the AGAR • Notice of the period for the exercise of public rights • Analysis of variances • Bank reconciliation – year-end
<i>Additional comments:</i>		

¹¹ Accounts and Audit Regulations 2015

Section 12 – internal audit		
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.		
Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	Yes	The Internal Audit Report for the period ending 31 st March 2024 was formally considered by and approved for adoption at the meeting of full Council of 17 th July 2024.
Has appropriate action been taken regarding the recommendations raised?	Yes	At the meetings of 11th September and 20th November 2024, council undertook a formal review of the report and considered proposed actions from the Clerk arising from the recommendations and comments from the Internal Audit Report. The recommendations raised within the internal audit report for the year ending 31st March 2024 were as follows and those in bold are outstanding: 1. Review of Standing Orders to incorporate procurement amendments 2. Review of Financial Regulations to incorporate procurement amendments 3. Review of payments made under s137 4. Inclusion of the level of precept being set in the minutes 5. Review of cashbook versus year end bank reconciliation 6. At the AGM, the election of the chair should be the first item on the agenda <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>
Has the Council confirmed the appointment of an internal auditor?	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2024 – 2025 was approved at the council meeting of 12th March 2025. <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i>

<i>Has the letter of engagement been approved by full council?</i>		The letter of engagement was approved at the meeting of 7 th May 2025. <i>Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.</i>
Additional comments:		

Section 13 – external audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?¹²</i>	N/A	The Parish Council did not have gross income and expenditure exceeding £25,000 and was able to declare itself exempt from a limited assurance review for the year 2023-2024.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	
Additional comments:		

¹² 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.*

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		Internal auditor commentary
Was the annual meeting held in accordance with legislation? ¹³	No	Council held its Annual Meeting of the Parish Council in May 2024. The election of Chair was not the first item in accordance with legislation in place at that time. It is also noted that the election of Chair for the Annual Meeting of the Parish Council in May 2025 also fails to comply with the LGA 1972 schedule 12, paragraph 7 (2) and Schedule 15 (2). Recommendation: as this is an outstanding audit point from the year ending 31st March 2024, council should seek to ensure that it complies with legislation in place.
Is there evidence that Minutes are administered in accordance with legislation? ¹⁴	Yes	Council is aware 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.
Is there a list of members' interests held?	Yes	A copy of the members' interests for three serving councillors was seen on the district council's website. There is no direct link from that of the parish council's. <i>Comment: councillors might wish to review their Register of Interest forms and ensure that they are correctly submitted to the district council in accordance with the adopted Code of Conduct.</i>
Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?	N/A	Council has no declared trustee responsibility.
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	Yes	Council is aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities and publishes certain datasets on its website in accordance with the required timescales.

¹³ The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		<i>Comment: during the coming year, council should seek to ensure that the associated papers for each meeting, upon which the council will rely for informed decision making, are uploaded alongside the agenda.</i>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</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. As defined under the Freedom of Information Act 2000, council should be aware that it needs to adopt and publish a Publication Scheme, tailored to the council to accurately reflect council's activities undertaken and the manner in which information will be made available. Recommendation: council should review the information it holds and seek to adopt a publication scheme to demonstrate compliancy with the act.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has shown compliance with the regulations and adopted appropriate policies that cover the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	No	Council has not published a website accessibility statement on the council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. Recommendation: council should seek to review its website for compliance and seek to adopt and publish a website accessibility statement.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council still used a gmail.com account for its official email address. Council should seek to review the continued use of the Gmail account and consider the use of a .gov.uk domain name for council and councillor email addresses

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

		to ensure that there are no unforeseen issues relating to the use of Gmail in terms of compliance with GDPR. <i>Comment: council might wish to be aware of the new Assertion in the Annual Governance Statement (effective April 2025) which, to warrant a positive response, requires the council to have a generic email account hosted on an authority owned domain.</i> Sections 5.117 to 5.120 in the Proper Practices Guide (March 2025) provides clarity on the manner in which an authority owned email account satisfies GDPR principles, integrity, confidentiality, accountability and transparency.
<i>Is there evidence that electronic files are backed up?</i>	Yes	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>	N/A	Council does not operate a committee system.
Additional comments:		

Signed: Victoria S Waples

Date of Internal Audit Review: 16/06/2025 & 19/06/2025

Date of Internal Audit Report: 21/06/2025

On behalf of Suffolk Association of Local Councils