

Internal Audit Report for for the period ending 31 March 2026

Clerk	Carly Small
RFO (if different)	
Chairperson	Yvonne Smart
Precept	£33,029.12
Income	£201,044.30
Expenditure	£333,626.48
General reserves	£32,701
Earmarked reserves	£26,597
Audit type	Annual – non-exempt authority
Auditor name	Debbie Frost

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

Section 1 – 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		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Council’s Standing Orders, are based on the latest model published by the National Association of Local Councils (NALC), April 2025 and are fully tailored to the council. Council approved its Standing Orders at a meeting of council held 6 May 2026.
Are Financial Regulations up to date and reviewed annually?	Yes	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 NALC Advice Note – Procurement, 3 February 2026 link to view the advice note Council approved its Financial Regulations at a meeting of council held 6 May 2026.
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 (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. The appointment of Carly Small as Responsible

¹ Section 151 Local Government Act 1972

		Financial Officer for 2025/26 was confirmed and approved at the meeting of 3 June 2025.
Additional comments:		

Section 2 – 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
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2025/2026 was approved at the Council meeting of 7 January 2025 although there is no clear confirmation within the minutes as to the final budget figure being set, % increase or affect on a Band D taxpayer. The minutes did state that the final budget would mean a request of a precept of £33,029.12 and the use of £8,940.89 from reserves. However, budget papers as seen on the website provide details on the budget, precept and implications for Band D Council Tax. <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.</i>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £33,029.12 for 2025/2026, as confirmed at the above meeting, with the paperwork demonstrating that this was a 10% increase over that set the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	Partially	The minutes evidence that Council carried out a review covering the budget for the current year with a review of income and expenditure against budget along with forecasts for the remainder of the year in June and September.

		<p><i>COMMENT: Council is advised to consider either implementing, in accordance with its own standing order 17c a quarterly statement 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 or amend Standing Order 17c to reflect the frequency with which budget monitoring exercises are carried out.</i></p>
<p><i>Reserves held – general and earmarked²</i></p>	<p>Yes</p>	<p>The Council, as at year-end, had Earmarked Reserves totalling £26,597 with the balance being General Reserves of £32,701 with overall reserves standing at £59,298. Council adopted a General Reserve Policy in October 2023, which was reviewed in October 2025, this provides clarity on the reasoning behind the holding of and intended level of general reserves to be maintained to ensure that the council achieves the recommended levels.</p> <p><i>COMMENT: council is advised to note 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. 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></p> <p><i>COMMENT: Scribe Accounting allows for expenditure from Earmarked Reserves and a Reserves balance report can be used to update Council on Earmarked Reserve Balances.</i></p> <p>RECOMMENDATION: All Earmarked Reserve expenditure should be approved by Council to be funded from the stated Earmarked Reserve.</p>

² 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

<p>Additional comments: Council has followed the recommended key stages of the budgetary process for the year, namely decided the form and level of detail of the budget; reviewed the current year budget and spending; assessed levels of income; brought together spending and income plans; provided for contingencies and considered the need for reserves; approved the budget; confirmed the precept and regularly reviewed progress against the budget regularly throughout the year.</p>		

Section 3 – 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
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses Scribe accounting package to produce reports on a Receipts and Payments/or Income and Expenditure 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.
<p><i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i></p> <p>(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)</p>	Yes	<p>Council’s gross income and expenditure level for 2025/26 rose just above the threshold of £200,000. When Council’s gross income or gross expenditure exceeds £200,000 for three consecutive years it becomes mandatory to operate on an income and expenditure basis.</p> <p>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.</p> <p>Income and Expenditure accounting processes create accounting statements to include all of the transactions for the year where the council has received economic benefits or given other economic benefits irrespective of the year in which they are paid.</p>

<i>Is the cash book up to date and regularly verified?</i>	Yes	Council follows Proper Practices in ensuring that its accounting procedure gives an accurate presentation of the financial position and provides good evidence to support the council's underlying statements which are verified by council.
<i>Is the arithmetic correct?</i>	Yes	<p>A number of spot checks were carried out and the functionality of the cashbook was found to be in order.</p> <p><i>COMMENT: The RFO has shown best practise by ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i></p>
<p>Additional comments: Scribe allows for upload of invoices, which can be a useful tool for storing them and accessing them when needed.</p>		

<p>Section 4 – 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.</p>		
Evidence		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. A further spot check of items paid via the system from the Council's Accounts was also cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under

		<p>contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.</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	<p>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 Internal Control Statement details the procedure to be followed for such payments.</p> <p><i>COMMENT: There is clear evidence of good practice - payments are checked by two councillors against invoices and online authorisation is then completed demonstrating the council is working in line with its own Financial Regulations. A schedule of both due and retrospective regular payments is submitted to the Council for approval at each meeting. This is also published on the Council's website.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified in the cash book and for the year 2025-26 stood at £49,673.16. A VAT claim for the period 1 April 2025 to 30 September was settled 31 October in the sum of £16,570.44 and the claim for the period 1 1 October 2025 to 31 December of £18,613.49 was settled in February all were verified in the cashbook and bank statements. The year-end balance stands at £14,489.23 which is still to be claimed.</p>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ³	N/A	<p>Council has not adopted the General Power of Competence.</p>

³ Localism Act

<p>Are payments under s.137⁴ separately recorded, minuted and is there evidence of direct benefit to electorate?</p>	<p>Yes</p>	<p>Council clearly identifies s137 payments within its cashbook. Payments are reported to full council and are of clear benefit to the electorate. Payments for the year under review total £2,322.88 and are in accordance with statutory limits.</p> <p><i>COMMENT: The following should be noted: for expenditure incurred in providing a donation to the Felixstowe Creative Arts Festival, the power to be used should be LGA 1972 s144.</i></p> <p><i>COMMENT: Powers used are input into Scribe accounting package. Scribe Accounts allows a comprehensive report of all s.137 expenditures via List Reports -> s.137, by ticking a dedicated 's.137' checkbox when recording a payment. This flags the transaction for this s.37 report to ensure compliance with statutory limits.</i></p>
<p>Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?</p>	<p>N/A</p>	<p>The council has one Public Works Board Loan (ref 883140) taken out this year 2025-26. The balance outstanding as at 31 March 2026 was £30,000. £29,975.00 was received into bank account on 2 December 2025. No repayments have been made as yet, first payment due 2 June 2026 and payments will be made by direct debit. The loan type is Fixed.</p>
<p>Additional comments: <i>The Council might wish to consider, in order to show good practice, implementing a system whereby evidence is retained showing which Councillors authorised the on-line payments thereby ensuring that there is an effective system in place to reduce the risks of error for such payments. This not only protects the RFO but will fulfil an internal control objective to ensure the safeguarding of public money.</i></p>		

⁴ 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.

Section 5 – 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. 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 £33,029.12 from East Suffolk District Council for the period under review as reported to full Council within its Financial Reports at its meetings in May and October. 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?⁵</i>	Yes	During the year under review, Council received CIL receipts totalling £52,718.54. The RFO has created an Earmarked Reserve for retained CIL balances.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported to full Council within the financial reports submitted to full Council. At the meeting of 6 May 2025, the RFO provided

⁵ Community Infrastructure Levy Regulations 2010

		<p>the Council with a report detailing the CIL payments received by the Council to date along with timescales by which the monies should be expended.</p> <p><i>Comment: All CIL funds have been used towards the Memorial Hall extension, however, Scribe Accounts are showing the funds taken from a budget line called Memorial Hall Extension with no set budget.</i></p>
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	<p>The draft CIL annual report for 2025/2026 shows that there is a retained balance of £0.</p> <p>There is an Earmarked Reserve specifically allocated, in accordance with the Regulations to receive CIL payments.</p>
<i>Has an annual report been produced?</i>	Yes	<p>The council has complied with its duty to produce annual reports that detail the amount of CIL funds received and spent and has demonstrated it understands the requirements to comply with its duty to produce and publish the annual report.</p>
<i>Has it been published on the authority's website?</i>	Yes	<p>The annual report for the year ending 2026 showing income received and retained balances was verified by the internal auditor and the council understands that it should comply with its duty to upload the annual report onto its website by 31 December 2026.</p> <p>The previous year's report 2024-25 was seen on the website.</p>
<i>Additional comments:</i>		

Section 6 – 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>	N/A	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
Additional comments:		

Section 7 – 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	A number of samples were tested. There is evidence of good financial practice, and the Council has implemented a system whereby bank reconciliation is correctly verified by the Council. This not only safeguards the Responsible Financial Officer but also fulfils an internal control objective.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 March 2026) the balance across the council's accounts stood at £59,297.69 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation.

<p><i>Is there regular reporting of bank balances at Council meetings?</i></p>	<p>Yes</p>	<p>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.</p>
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<p>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.</p>		
<p>Evidence</p>	<p>Internal auditor commentary</p>	
<p><i>Do all employees have contracts of employment?</i></p>	<p>Yes</p>	<p>Council had one employee on its payroll at the period end of 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.</p>
<p><i>Has the Council approved salary paid?</i></p>	<p>Yes</p>	<p>Salary payments are presented to the Council for approval and payments made in accordance with Council's own Financial Regulations.</p> <p><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></p>
<p><i>Are all employees paid at least the minimum wage?</i></p>	<p>Yes</p>	<p>Employee is paid at least the national minimum wage.</p>
<p><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></p>	<p>Yes</p>	<p>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.</p>

<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?⁶</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	From paperwork seen, the council completed its re-declaration of compliance with The Pensions Regulator in May 2023. <i>Comment: if the Council last carried out its re-enrolment duties in 2023, it will be aware that every three years further re-enrolment duties will apply. Council should ensure that it comply with any deadlines for 2026 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.
<i>Additional comments:</i>		

⁶ The Pension Regulator – [website click here](#)

Section 9 – Year End procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis and all found to be in 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 AGAR⁷ 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. The Accounting Statements were submitted in draft form for the internal audit review, and it is assumed that the figures submitted will be those that are replicated in their entirety onto the AGAR.
<i>Did the Council meet the exemption criteria for 2024-2025 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 5 June 2025 to 16 July 2025.

⁷ Annual Governance & Accountability Return (AGAR)

		<p><i>COMMENT: The notice published on the website was the 'Confirmation of the dates for the period for the exercise of Public Rights' form that is sent to the external auditor. The notice that should be published on the website can be found on PKF's website titled '16 -Making-provision-for-the-exercise-of-public-rights' document found at https://www.pkf-l.com/services/audit-assurance/limited-assurance-regime/useful-information-and-links/</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?⁸</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 31st March 2025 as it published the following on its website:</p> <p>Annual Internal Audit Section 1 - Annual Governance Statement Section 2 - Accounting Statements Section 3 - The External Auditor Report and Certificate Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015.</p> <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>Additional comments:</p>		

⁸ Accounts and Audit Regulations 2015

Section 10 – 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>	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 of 3 March 2026.
<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 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 manage in order to avoid financial or reputational consequences.
<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	<p>Council has insurance in place under a specialist policy for local councils with Hiscox Insurance Company which shows core cover for the following: Employer liability: £10million; Public/Products Liability: £10million and Officials and trustees indemnity of £500thousand.</p> <p><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></p> <p>The Council's insurance cover was renewed at their meeting on 2 September 2025 and there is a minute to show the cover was reviewed.</p>

		<p><i>COMMENT: The minute should also state that the insurance is considered adequate and appropriate. Whilst risks have been identified and steps taken to manage those risks, there should be a record that the RFO has undertaken a review as this will help manage the potential consequence of a risk occurring.</i></p> <p><i>COMMENT: Council has ensured that it is 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></p>
<i>Evidence that internal controls are documented and regularly reviewed⁹</i>	Yes	At the meeting of 3 March 2026, 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.
<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 appointment¹⁰</i>	Yes	<p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements, evidence of which is contained within its Internal Control Policy as adopted on 3 March 2026.</p> <p><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></p>
<p>Additional comments: <i>the Council has identified a number of risks to Trimley St Martin Parish Council and taken steps to control these. These are clearly identified and approved by the Council. In accordance with proper practices the council has demonstrated it has taken steps to manage key risks in a way it can justify to a level which is tolerable by transferring the risks and taking out insurance, and that</i></p>		

⁹ Accounts and Audit Regulations

¹⁰ Practitioners Guide

the review of insurance cover has been reported back to full Council and duly minuted. By reviewing the terms of reference for internal audit the council has followed guidance and demonstrates it recognises that the internal audit function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily.

Section 11 – Asset control		
<p>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.</p>		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?¹¹</i>	Yes	The Asset Register, as viewed on the Council's website, and as approved at the meeting of 3 March 2026, 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	<p>It is noted that the declared value for all assets at year-end (31.03.2026) is £16,551.07 which reflects overall movement in the asset register covering acquisitions and disposals.</p> <p><i>Comment: Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 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></p>
<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.

¹¹ Practitioners Guide

<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The Asset Register was reviewed and approved by council at a meeting held 3 March 2026, with no changes.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
<i>Additional comments: Councils should be mindful of the guidance in Governance and Accountability for Smaller Authorities for England (March 2025) regarding valuation of assets and 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 and if/where amended it will need to publish and provide explanations in changes in value to any previously recorded assets</i>		

Section 12 – Assertion 10		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners’ Guide 2025.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?¹²</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>	Yes	It is noted that Council last reviewed its Model Publication Scheme detailing the type of information the Council holds and how it will make it available to the public in November 2025. <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</i>

¹² Data Protection Act 2018

		<p><i>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>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?¹³</i></p> <p><i>Councils must:</i></p> <ul style="list-style-type: none"> • <i>Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018</i> • <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i> • <i>Recognise their role as both data controller and data processor</i> 	<p>Partially</p>	<p>Council has taken active steps to ensure compliancy with the GDPR requirements, evidenced below and has adopted a number of GDPR Policies during the year that provides clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR.</p> <p>The following are in place and have been reviewed as follows:</p> <ul style="list-style-type: none"> • <i>Privacy notices (published inc. for employees and evidence of review) reviewed 2024</i> • <i>Procedures for dealing with subject access and freedom of information requests reviewed 3 February 2026</i> • <i>Data retention policies including disposal reviewed April 2025 and April 2026</i> • <i>Procedures for dealing with data breaches April 2025 and April 2026</i> <p><i>Comment: The Privacy Policy on the Parish Council’s website covers the framework that the public can expect for dealing with 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></p> <p>RECOMMENDATION: To achieve best practice, Council is recommended to:</p> <ul style="list-style-type: none"> • Adopt a Data Impact Assessment identifying categories of personal data held, the format in which it is stored and the legal justification for its processing under the UK GDPR. • Carry out Data audits, mapping personal data being processed and carrying out data risk assessments. • Process personal data lawfully, fairly and in line with the prescribed data protection principles • Provide regular data protection compliance training for council staff and councillors

¹³ UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Partially</p>	<p>Whilst the Local Government Transparency Code 2015 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><i>COMMENT: 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:</i> <i>Publish quarterly: Individual items of expenditure that exceed £500; Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000.</i> <i>Publish annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart.</i></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p>	<p>Yes</p>	<p>Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, along with 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 2.2 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>Yes</p>	<p>Council have shown a clear understanding of the website accessibility regulations and regularly reviews the website. Last review took place in March 2026.</p> <p><i>COMMENT: to ensure that the council website complies with the regulations, it is best practice to test for website accessibility at least annually.</i></p>

¹⁴ Website Accessibility Regulations 2018

<p><i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?¹⁵ For example clerk@abccouncil.gov.uk or clerk@abccouncil.org.uk</i></p>	<p>Yes</p>	<p>Council operates with a .gov.uk email address for the Clerk. No Councillor email addresses could be found online.</p> <p>Best practice is for all council (clerk, councillors, other staff) to have matching email: e.g. Cllr.bobsmith@abcparishcouncil.gov.uk or cldr.bobsmith@abcparishcouncil.org.uk</p> <p>If not, free email services are permitted currently, such as, cllrbobsmith@gmail.com but NOT personal email addresses e.g. bobsmith1968@yahoo.co.uk</p> <p><i>COMMENT: Authority-owned email accounts 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.</i></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>
<p><i>Does the council have an IT policy that is tailored to the council?¹⁶</i></p>	<p>Yes</p>	<p>The council has adopted an IT policy that has been personalised for the specific use of the council. This policy was approved at the meeting of 7 April 2026.</p>
<p>Additional comments:</p>		

¹⁵ Practitioners Guide

¹⁶ Practitioners Guide

Section 13 – 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	
<i>Internal auditor commentary</i>	
<i>Has the Council considered the previous internal audit report?</i>	Yes The Internal Audit Report for the period ending 31 March 2025 was formally considered by and approved for adoption at the meeting of full Council of 3 June 2025. The RFO was authorised to conduct necessary actions in accordance with the recommendation and comments raised within the report which was monitored as the year progressed.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes The formal recommendations raised within the internal audit report for the year ending 31 st March 2025 were as follows: and those in bold are outstanding: (list recommendations) <ul style="list-style-type: none"> • ensure that all apologies for absences are not merely recorded but approved by the Council • council should review its answer to 11a and 11b of the Draft Accounting Statements for the year ending 31st March 2025 <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>Council is also taking action to address further comments that were raised within the internal audit report for the year ending 31st March 2025, none of which have a significant impact on the financial management of the council.</p> <p><i>COMMENT: Council has understood the requirement to ensure that, having received a narrative internal audit report, it should minute its review of the work carried out and agree actions planned from the outcomes identified.</i></p>

<p><i>Has the Council confirmed the appointment of an internal auditor?¹⁷</i> <i>Has the letter of engagement been approved by full council?¹⁸</i></p>	<p>Yes</p>	<p>SALC were appointed as the Council's internal auditors for the year ending 31 March 2026 at the meeting of 3 March 2026.</p>
<p>Additional comments:</p>		

<p>Section 14 – External audit for the period under review The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.</p>		
<p>Evidence</p>	<p><i>Internal auditor commentary</i></p>	
<p><i>Has the Council considered the previous external audit report?¹⁹</i></p>	<p>Yes</p>	<p>At the meeting of full Council of 7 October 2025, Council considered the report from the External Auditor for the year ending 31 March 2025. The Notice of Conclusion was seen on the Council's website.</p>
<p><i>Has appropriate action been taken regarding the comments raised?</i></p>	<p>Yes</p>	<p>The following matters had come to the external auditor's attention: The AGAR was not accurately completed before submission for review:</p> <ul style="list-style-type: none"> • The responses given in Section 1, Box 9 and Section 2, Boxes 11 (a) and (b) are not consistent. The smaller authority is seeking legal advice as it appears it is a custodian trustee and not a sole managing trustee, thus the responses should be 'N/A', 'No', 'A' respectively. <p>The Clerk now understands how this should be dealt with.</p>
<p>Additional comments:</p>		

¹⁷ Practitioners' Guide

¹⁸ Practitioners' Guide

¹⁹ 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 15 – 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		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ²⁰	Yes	The Annual Meeting of the Parish Council was held on 6 May 2025 and the first item on the agenda was the election of Chairperson.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ²¹	Yes	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.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the District Authority's Website the Register of Interests for all current Parish Councillors. There was not a direct link from the Council's own website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	Yes	The Parish Council is the Corporate Trustee for the Memorial Hall. The Memorial Hall Trust is set up as a separate entity with its own Standing Orders, Financial Regulations and operates a separate bank account. The responsibilities of the Parish Council are set out in the lease and relate to the basic operation of the Memorial Hall.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Councils Risk Assessment stated files are backed up and passwords held securely.

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

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

<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Terms of Reference of Committees are published on the council website and document annual reviews.
<i>Additional comments:</i>		

Signed: D L Frost

Date of Internal Audit review: 23 April 2026

Date of Internal Audit Report: 23 April 2026

On behalf of Suffolk Association of Local Councils