

Internal Audit Report for Earl Stonham Parish Council for the period ending 31 March 2026

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| Clerk | Susan Edgar |
| RFO (if different) | |
| Chairperson | Mark Gillett |
| Precept | £8,586 |
| Income | £16,999 |
| Expenditure | £18,927 |
| General reserves | £2,452 |
| Earmarked reserves | £5,561 |
| Audit type | Annual – 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 | | |
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| 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 | <p>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.</p> <p>Council approved its Standing Orders at a meeting of council held 12 May 2025 with a further review on the 16 March 2026.</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 NALC Advice Note – Procurement, 3 February 2026 link to view the advice note.</p> <p>Council approved its Financial Regulations at a meeting of council held 12 May 2025 with a further review on the 16 March 2026.</p> |
| 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 | <p>In accordance with Section 151 of the Local Government Act 1972 (financial administration), the Council has appointed the Clerk to be responsible for the administration of the financial affairs of the relevant authority. This was confirmed by full Council at its meeting 3 March 2025, the Clerk/RFO officially started employment 1 April 2025.</p> <p>Council's Financial Regulation 1.5 confirms that the Clerk is so appointed.</p> |

¹ Section 151 Local Government Act 1972

Additional comments:

| Section 2 – Budgetary controls | | |
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| 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 6 January 2025 although there is no clear confirmation within the minutes as to the final budget figure being set. <i>COMMENT: Budget papers as seen on the website do not provide details on the budget, precept and implications for Band D Council Tax. 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 for the year 2025 – 2026 was discussed and approved at the meeting of 6 January 2025 and set at £8,586. <i>COMMENT: in accordance with best practice, council might wish to record in the minutes the precept being set and the impact that this would have on a Band D Dwelling in monetary as well as percentage terms.</i> |
| <i>Regular reporting of expenditure and variances from budget</i> | Yes | The minutes evidence that Council carried out its regular 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. |

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| <p><i>Reserves held – general and earmarked²</i></p> | <p>Yes</p> | <p>The Council, as at year-end, had Earmarked Reserves totalling £5,561 with the balance being General Reserves of £2,452 with overall reserves standing at £8,013.</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>RECOMMENDATION: council should seek to adopt a General Reserve Policy which would provide 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>Additional comments: in the main, Council has followed the recommended key stages as to the budgetary process for the year: decided the form and level of detail of the budget; reviewed the current year budget and spending; determined the cost of spending plans; 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 or rates and special levies; and reviewed progress against the budget regularly throughout the year.</i></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

| Section 3 – Proper bookkeeping | | |
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| 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 | | <i>Internal auditor commentary</i> |
| <i>Is the ledger maintained and up to date?</i> | Yes | The council uses an excel spreadsheet 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. It provides data for analysis allowing the RFO to produce clear financial management reports. |
| <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 | 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 | A number of spot checks were carried out and the functionality of the cashbook was found to be in order. <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> |

Additional comments: council might wish to ensure that the cashbook and/or minutes make reference to 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. 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.

| Section 4 – Payment controls | |
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| 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 | <i>Internal auditor commentary</i> |
| Is there supporting paperwork for payments with appropriate authorisation? | Yes A selection of expenditure items were 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. RECOMMENDATION: Council is advised to implement ‘power to pay’ noting that it is the responsibility of Councillors to satisfy themselves that they have the appropriate legal power to incur expense and ensure that they refer to the exact power being used to ensure that all financial decisions or payments being made are in accordance with statute and the Council is not undertaking any decisions or payments that are ultra vires. Payment ref 71 made on 13 February 2025 to Forward Africa is ultra vires. Section 137 can sometimes be used as a "power of last resort", however, it only allows |

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| | | spending on purposes that bring direct benefit to the parish or its residents. |
| 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 Review of Internal Measures and Risk Management Arrangements undertaken by Council on 16 March 2026 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 | VAT is identified in the cash book with the reclaim for the period covering the year 2024-2025 in the sum of £635.19 being verified in the cashbook and bank statements. The year-end balance stands at £1773.43 which is still to be claimed. |
| Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ³ | N/A | Council has not adopted the General Power of Competence. |
| Are payments under s.137 ⁴ separately recorded, minuted and is there evidence of direct benefit to electorate? | Yes | 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 £24.49 and are in accordance with statutory limits. |

³ Localism Act

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.

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| 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 |
| <i>Additional comments: 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> | | |

| Section 5 – Income controls | | |
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| 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 £8,586 from Mid Suffolk District Council for the period under review as reported to full Council within its Financial Reports at its meetings in May and November. 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. |

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| <i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁵</i> | Yes | During the year under review, Council received no CIL receipts. The RFO has created an Earmarked Reserve for retained CIL balances. |
| <i>Is CIL income reported to the council?</i> | Yes | No income was evidenced during the period under review. At the meeting of 19 January 2026, the RFO provided the Council with confirmation from the CIL Team that the tree survey and removal costs could be financed through CIL, which was approved by Council. |
| <i>Does unspent CIL income form part of earmarked reserves?</i> | Yes | The draft CIL annual report for 2025/2026 shows that there is a retained balance of £2,621.64 which has been transferred into an Earmarked Reserve specifically allocated, in accordance with the Regulations. |
| <i>Has an annual report been produced?</i> | Yes | The Annual CIL Statement is still to be presented to full Council for approval although a copy was submitted for internal audit review. |
| <i>Has it been published on the authority's website?</i> | Pending | The annual report for the year ending 2026 showing no income received and retained balances was seen 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. <i>COMMENT: Details of the expenditure for the year 2025/26 should be included in the CIL Annual Report before being approved by Council and being uploaded onto the website.</i> |
| Additional comments: | | |

⁵ Community Infrastructure Levy Regulations 2010

| Section 6 – Petty cash | | |
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| 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 | | |
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| 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 £8,013.18 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation. |

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| <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> | | |
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| <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/employees on its payroll at the period end of 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.</p> |
| <p><i>Has the Council approved salary paid?</i></p> | <p>Yes</p> | <p>All salary payments are presented to the Council for approval and payments made in accordance with Council's own Financial Regulations.</p> <p>The minutes of the Council meeting of 6 January 2026, confirm that the Council approved amendments to both the Clerk's contracts covering working hours.</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> |

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| <i>Are all employees paid at least the minimum wage?</i> | Yes | Employee is paid at least 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 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> | N/A | The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. No deductions are required to be paid to HM Revenue and Customs during the year under review. |
| <i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁶</i> | Yes | It is noted that Council is aware of its pension responsibilities and that no pension provision was required by the current members of staff. |
| <i>Have pension re-declaration duties been carried out</i> | Yes | The council submitted a re-declaration of compliance with the pensions act of 2008 on 24th March 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. |
| Additional comments: | | |

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

| Section 9 – Year End procedures | | |
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| 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 | 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. Could add: 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> | Yes | As the Council was a smaller authority with a gross income and expenditure not exceeding £25,000 for the period under review, it was able to certify itself as an exempt authority which was confirmed at a meeting of the Council on 12 May 2025. <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> |

⁷ Annual Governance & Accountability Return (AGAR)

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| <p><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></p> | <p>Yes</p> | <p>During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2024- 25, 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 24 June 2025 to 4 August 2025 with the date of the notice being 23 June 2025.</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 income and expenditure not exceeding £25,000 published the following on a public website:</p> <ul style="list-style-type: none"> • Certificate of Exemption, page 3 • Annual Internal Audit Report 2024/25, page 4 • Section 1 – Annual Governance Statement 2023/24, page 5 • Section 2 – Accounting Statements 20**/**, page 6 • Analysis of variances • Bank reconciliation • Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015. |
| <p><i>Additional comments:</i></p> | | |

⁸ Accounts and Audit Regulations 2015

| Section 10 – Risk management | | |
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| 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 16 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 Zurich Insurance which shows core cover for the following: Employer liability: £10million; Public/Products Liability: £12million and Fidelity Guarantee of £250,000.</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 9 September 2025 and there is a minute to show the cover was reviewed and considered appropriate. This is highlighted as good practice as risks have been identified and steps taken to manage those risks, with the</p> |

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| | | <p>confirmation that the RFO has undertaken a review this helps manage the potential consequence of a risk occurring.</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> | Partially | <p>At the meeting of 16 March 2026, Council carried out a review of Internal Control Measures and Risk Management Arrangements.</p> <p>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.</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 appointment¹⁰</i> | Yes | <p>Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting of 16 March 2026 at which the internal auditor was appointed.</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: the Council has identified a number of risks to Earl Stonham 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</p> | | |

⁹ Accounts and Audit Regulations

¹⁰ Practitioners Guide

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 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 | | |
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| 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?¹¹</i> | Yes | The Asset Register for year ending 2025, as viewed on the Council's website, and as approved at the meeting of 12 May 2025, 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 £13,615.18 which reflects overall movement in the asset register covering acquisitions and disposals. <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> |

¹¹ Practitioners Guide

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| <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 | |
| <i>Is the asset register up to date and reviewed annually?</i> | Yes | The asset register was signed approved by the Council at its meeting on 12 May 2025 confirming it covers assets within the ownership or responsibility of the Council. |
| <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> | | |

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| 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 on 16 March 2026. |

¹² Data Protection Act 2018

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| | | <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> |
| <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 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>RECOMMENDATION: Councils, including parish meetings must:</p> <ul style="list-style-type: none"> • Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018 • Process personal data lawfully, fairly and in line with the prescribed data protection principles • Recognise their role as both data controller and data processor <p><i>COMMENT: To achieve best practice, councils are recommended to:</i></p> <ul style="list-style-type: none"> • <i>Carry out data protection audits, mapping personal data being processed and carrying out data risk assessments.</i> • <i>Provide regular data protection compliance training for council staff and councillors.</i> • <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> |

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

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| <p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p> | <p>Yes</p> | <p>To ensure compliance with the requirements of the Transparency Code for smaller authorities (turnover not exceeding £25,000), Council is aware that the following should be published on a public website for the year 2025/2026 not later than 1 July:</p> <ul style="list-style-type: none"> • Internal Audit Report • List of Councillors and Responsibilities • Items of Expenditure Above £100 including recoverable and non-recoverable VAT • End of Year Accounts • Annual Governance Statement • Asset Register • and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014. <p>All websites must include published documentation as specified in the <i>Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable)</i>.</p> |
| <p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p> | <p>Partially</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>COMMENT: The link at the bottom of its webpage https://www.earlstonham.org.uk/website-accessibility/ links to the website provider's Accessibility Statement which proves that the website was</i></p> |

¹⁴ Website Accessibility Regulations 2018

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| | | <p><i>tested to these standards, however the council’s own Website Accessibility Statement is out of date.</i></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>RECOMMENDATION: That the accessibility statement is updated to meet the legal requirements regardless of what domain is being used, under the Public Sector Bodies Accessibility Regulations 2018. The Government digital accessibility webpage provides detailed guidance.</p> <p><i>COMMENT: Where a smaller authority is subject to the requirements of website accessibility it does not have to buy a new website to comply with accessibility law if it places a disproportionate burden on the authority. At a minimum all authorities’ websites 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>No review of website accessibility has been carried out during the last financial year.</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> |

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| <p>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</p> | <p>Yes</p> | <p>Best practice is for all council (clerk, councillors, other staff) to have matching email: e.g. Cllr.bobsmith@abcparishcouncil.gov.uk or cllr.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>Does the council have an IT policy that is tailored to the council?¹⁶</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 16 March 2026.</p> |
| <p>Additional comments:</p> | | |

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| <p>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.</p> | | |
| <p>Evidence</p> | <p><i>Internal auditor commentary</i></p> | |
| <p>Has the Council considered the previous internal audit report?</p> | <p>Yes</p> | <p>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 12 May 2025. The RFO was authorised to conduct necessary actions in</p> |

¹⁵ Practitioners Guide

¹⁶ Practitioners Guide

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| | | accordance with the recommendations 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 | <p>Council is taking action to address comments that were raised within the internal audit report for the year ending 31 March 2025, having been considered by the Council were approved for implementation and have been or are in the process (in bold) of being implemented:</p> <ul style="list-style-type: none"> • To adopt the March 2025 NALC update to Financial Regulations • To consider all members using a .gov.uk email address for correspondence <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></p> <p><i>Has the letter of engagement been approved by full council?¹⁸</i></p> | Yes | SALC were appointed as the Council's internal auditors for the year ending 31 March 2026 at the meeting of 16 March 2026. |
| <i>Additional comments:</i> | | |

¹⁷ Practitioners' Guide

¹⁸ Practitioners' Guide

| Section 14 – External audit for the period under review | | |
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| 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?</i> ¹⁹ | N/A | Council was exempt from a Limited Assurance Review. |
| <i>Has appropriate action been taken regarding the comments raised?</i> | N/A | Council was exempt from a Limited Assurance Review. |
| Additional comments: | | |

| Section 15 – Additional information | | |
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| 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 12 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 |

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.*

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

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| | | 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 with 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> | N/A | Council does not have any Trustee Responsibilities. |
| <i>Is there evidence that electronic files are backed up?</i> | Yes | Council's IT Policy states that 'regular data backups should be performed to prevent data loss.' |
| <i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i> | N/A | Council does not operate with a committee system. |
| Additional comments: | | |

Signed: D L Frost

Date of Internal Audit review: 7th May 2026

Date of Internal Audit Report: 7th May 2026

On behalf of Suffolk Association of Local Councils