

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

Clerk	David Lines (post April 2025)
RFO (if different)	-
Chairperson	Councillor Mary Shipman
Precept	£10,020.50
Income	£27,570.06
Expenditure	£32,161.39
General reserves	£17,348.75
Earmarked reserves	£22,832.98
Restricted reserves	£ 3,466.69
Audit type	Annual – non-exempt authority
Auditor name	Victoria Waples

Introduction

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

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

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations

- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2024/25 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – proper bookkeeping The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	It is noted that the Clerk, employed post year-end, has sought to use a financial software package (Scribe) to reconstruct the accounts and reconcile them to bank statements for the year under review. The use of an accounting package and the suite of tools layered within the system has allowed for the automation of many of the council's transactions involving income and expenditure, as well as reports and financial statements. The ledger as such is correctly maintained and up to date.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	Council's gross income and expenditure level is below the threshold of £200,000 and has been for three (3) continuous years. Council's operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The Clerk has ensured that the cashbook for the year is fully reconciled and as such it is confirmed that the accounting records are up to date and can be used as the basis for financial management reports. <i>Comment: the clerk is aware that proper practices requires that the council's accounting procedure should be able to provide an accurate presentation of the council's financial position and that clear financial management reports are to be submitted to the council on a regular basis.</i>
<i>Is the arithmetic correct?</i>	Yes	The functionality of the cashbook was found to be in order.
<i>Additional comments: in accordance with good practice, council might wish to ensure that the minutes and /or cashbook reference the powers used to incur expenditure. Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Local Councils must exercise their powers subject to the provisions of the general law.</i>		

Section 2 – Financial Regulation and Standing Orders The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	No	Council's Standing Orders as seen on the website are dated with an adoption date of July 2020. <i>Comment: at the next review, council should seek to adopt the updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with the revised Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. NALC have also changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations, as seen on the Council's website show an adopted date of January 2025 and are based on the NALC Model Financial Regulations 2025.
Has the Council properly tailored the Financial Regulations?	No	The Council's Financial Regulations have not been tailored to the Parish Council. <i>Comment: council should be aware that the Model Financial Regulations as produced by NALC require tailoring to the parish council. Curly brackets indicate words, sentences or sections that can be removed if not applicable or amended to fit the council's circumstances.</i>
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (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.

¹ Section 151 Local Government Act 1972 (d)

Section 3 – Payment controls

The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	<i>Not fully met</i>	<p>A selection of random payments were cross checked against minutes, cash book, bank statement and invoices. Whilst all were found to be recorded within the cashbook and bank statement with supporting invoices, there was limited evidence to substantiate that all were approved in accordance with council's own financial regulations.</p> <p>Recommendation: council is advised to follow financial regulation 6.9 which describes the process to be followed for the authorisation of payments to ensure that council can demonstrate that it has appropriate internal controls in place to safeguard public finances.</p> <p><i>Comment: it is noted post April 2025, the submission of a schedule of payments requiring authorisation, once approved forms part of the minutes at which the payments are approved.</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. Council operates with a complex mandate which follows a dual authorization process. The bank mandate agreed by the council requires a minimum of two people to be involved in any online approval process once the payment has been submitted by the Clerk / RFO.</p> <p><i>Comment: council follows the procedures as outlined and ensures that there is secondary authorisation before payment.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified in the cash book. The VAT recoverable at year-end totals £3,215.99. For the year 2024-2025 VAT has been appropriately identified in</p>

		relation and correctly accounted for in the spreadsheets according to the council's business and non-business activities. <i>Comment: the RFO is aware of the time limits in which VAT reclaims can be made.</i>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A	The council has not confirmed that it is eligible to exercise the GPOC.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	Payments identified as being made under this power for the year under review totalled £518.01 and were separately recorded and of a direct benefit of the electorate. <i>Comment: council is aware that s137 is a capped power and payments should be within statutory limits and deemed to be of benefit to those living in the area.</i>
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	The council has no such loans.
Additional comments:		

² Localism Act

³ Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £10.81 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	<i>Not for the year under review</i>	<p>There was no formal assessment of the council's risk assessment documentation for the year under review nor was there any documentation submitted for internal audit review that had been previously adopted by the council which detailed in general terms the risks associated with the functioning of a smaller authority and the measures that the council will undertake to mitigate such risks.</p> <p>Recommendation: as council is unable to demonstrate that, in accordance with Proper Practices, the risks are being annually reviewed, assessed and appropriate measures are in place to protect public money, it should consider its response to Assertion 5 on the Annual Governance Statements for the year ending 31st March 2025.</p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>From a review of the minutes, it is considered that appropriate measures were in place for the monitoring of areas and assets under the ownership or remit of the parish council and that council took action to identify and assess the risks associated with the general functioning of the council and its assets.</p>
<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 its main insurance under a Local councils and not for profit organisations policy with Hiscox Insurers. Core cover for the council's insurance policy is shown as: Public & Products Liability: £10million; Employer's Liability: £10million and Fidelity Guarantee (Officials and Trustees indemnity) of £500thousand. Premises insurance is in place for the village hall.</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/May and/or during the year upon receipt of grants.</i></p>

		<p>The minutes of July and September 2024, indicate that council, prior to renewal, undertook a review of its insurance needs to ascertain whether they were adequate and that all steps had been taken to mitigate and manage identified risks with appropriate insurance.</p> <p><i>Comment: Council has understood that it must be able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i></p>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	No	<p>There is no evidence to confirm that during the year under review, council undertook a formal review of either its internal controls or the effectiveness of the system of internal controls</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 appointment⁵</i>	Yes	<p>Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting 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>

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Section 5 – Budgetary controls The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
Verify that budget has been properly prepared and agreed	Yes	<p>The budget for the year 2024 - 2025 was approved at the Council meeting of 15th January 2024 with evidence given that the revenue budget would be set at £11,240 and the capital budget at £5,000.</p> <p>The revenue budget for the year 2025 - 2026 was approved at the council meeting of 20th January 2025. There is no reference as to the budget set other than Budget Version 2 was adopted.</p> <p><i>Comment: council should consider including within the body of the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.</i></p>
Verify that the precept amount has been agreed in full Council and clearly minuted	Yes	<p>The minutes of 15th January 2024 confirm that the precept to be levied for the year 2024 – 2025 would be set at £10,020.50.</p> <p>The precept for the year 2025 – 2026 was discussed and approved at the meeting of 20th January 2024 and set at £12,342.35 which would equate to an increase of 5% over that set for 2025-26.</p> <p><i>Comment: in accordance with best practice, council should seek to ensure that it records, in the minutes, the impact the precept being set would have on a Band D Dwelling in percentage as well as monetary terms.</i></p>
Regular reporting of expenditure and variances from budget	Yes	<p>The minutes evidence that there were limited reviews conducted covering the budget for the current year.</p> <p><i>Comment: Council, in accordance with its own standing order 17c should note the requirement to produce regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i></p>

Reserves held – general and earmarked ⁶	Yes	<p>The Council, as at year-end, had overall reserves totalling £43,648.42 with general reserves standing at £17,348.75, earmarked reserves at £22,832.98 and CIL (restricted) reserves at £3,466.69.</p> <p><i>Comment: Council should be aware of guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves held is in accordance with an adopted General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> <p>Recommendation: council might wish to consider adopting a reserve policy which would identify the limit to be held for its general reserve which may need to be adjusted at each annual review to include cash flow requirements, inflationary and interest rates, diversification of funds to spread risk and optimize interest returns prior to year-end adjustments to maintain the prescribed level.</p>
<p>Additional comment: Council should look to ensure that it follows the recommended key stages as to the budgetary process for the year: decide the form and level of detail of the budget; review the current year budget and spending; determine the cost of spending plans; assess levels of income; bring together spending and income plans; provide for contingencies and consider the need for reserves; approve the budget; confirm the precept or rates and special levies; and review progress against the budget regularly throughout the year.</p>		

⁶ In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	<p>Income has been recorded in accordance with council's Financial Regulations. A sample of receipts for income received in relation to Village Hall hire were checked against cash book and bank statement and found to be in order and recorded in accordance with proper practices. The accounting records contain all day-to-day entries of all sums of money received. There was however no formal review of the fees for hall hire during the year under review. Council is reminded that fee reviews are essential to ensure that the council's income module remains competitive as well as ensuring profitability is maintained. This will ensure that the council's revenue streams are fully optimized allowing for adjustments where necessary.</p> <p>Recommendation: in accordance with Financial Regulation 13.2, Council should ensure that it conducts a review of all fees and charges annually, with increases as deemed appropriate.</p> <p>A sample review of the control fees for the allotments was undertaken during the internal audit visit and all expected income was found to be properly recorded and promptly banked. The minutes of 2nd December 2024 demonstrate that council agreed to maintain the fees for the allotments at the current rates.</p> <p>Further spot checks during the internal audit visit on further items paid under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Council.</p>
<i>Is income reported to full council?</i>	Yes	Income received was occasionally reported to full council within the financial reports submitted. It is noted that the minutes were not consistent in the amount of financial information that was reported to full council.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £10,020.50 from East Suffolk Council for the period under review. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on

		the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	For the period under review Council received CIL Receipts in the sum of £1,969.89.
<i>Is CIL income reported to the council?</i>	Unable to confirm	The internal auditor is unable to verify if the CIL receipts were reported to full council as having been received.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL financial overview report for 2024-2025, shows a year-end balance of £3,466.69 which is retained in Earmarked Reserves specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement for 2024-2025 has been produced in draft form and will be presented to full Council for formal approval.
<i>Has it been published on the authority's website?</i>	Not yet actioned	Council is aware that the Regulations provide clarity on the timing of the reports, and by which date they should be brought into the public domain.
Additional comments:		

Section 7 – petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	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:		

⁷ Community Infrastructure Levy Regulations 2010

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 st March 2025. Whilst employment contracts were not reviewed during the internal audit, the current Clerk to the Council has confirmed that there is limited detail as to whether contract of employment were in place for previous incumbents of the post.
<i>Has the Council approved salary paid?</i>	Yes	The annual salary has been preapproved by council and payments were made via internet banking in accordance with council's own Financial Regulations. The minutes of 14 th October 2024, provide confirmation that council approved overtime to date and agreed to increase the clerk's working hours to eight per week temporarily with further reviews prior to year end. <i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>Minimum wage paid?</i>	No	No employee is paid the minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	Council is advised to ensure that moving forward there are suitable payroll arrangements in place to ensure the accuracy and legitimacy of payments of salaries and that all changes made to any employee's gross pay, emolument or terms and conditions of employment are documented as having been approved by full council.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced. Cross-checks were completed on a sample of payments covering salary and all were found to be in order. Deductions due to be paid to HM Revenue and Customs during the year under review were made within the requisite time periods.

<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities. At year-end, no member of staff was enrolled into a pension scheme provided by the employer.
<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 April 2022. <i>Comment: Council is advised that every three years an employer must put certain staff back into a pension scheme. As the Council last carried out its re-enrolment duties in 2022, it should ensure that it is aware of its re-enrolment duties and comply with the deadlines 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.
<i>Additional comments:</i>		

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

Section 9 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as submitted for internal audit review, reflects those items listed under insurance and within the parish council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2025) is £49,161.00 which reflects the acquisitions of new assets during the year. For comparison, the declared value on the asset register as at 31.03.24 was £39,693.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	<p>Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2024 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.</p> <p><i>Comment: The RFO has ensured that the formal asset register has been updated to record new assets at historic cost price, net of VAT along with removal of any assets disposed of / no longer serviceable. Where assets have been gifted or where there is no known value, assets have been given the proxy value of £1.</i></p> <p>This current valuation for assets commonly known as community assets is in line with requirements for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value is recorded, which acts as a proxy value to the original cost and will remain unchanged until disposal.</p>

⁹ Practitioners Guide

<i>Are records of deeds, articles, land registry title number available?</i>	<i>N/A</i>	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was conducted via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	<i>N/A</i>	Council has not declared that it has any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	<i>Yes</i>	The values as seen on the Asset Register on the website in the sum of £49,161 (rounded) match those on the Draft Accounting Statements.
<i>Cross checking of insurance cover</i>	<i>Yes</i>	Council has appropriate insurance under all risks cover for its assets as specified under the headings on the insurance schedule.
<i>Additional comments:</i>		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. <i>Comment: council has understood that the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 st March 2025 agree with the year-end bank statements and at year end stood at £43,648.42 across the accounts held in the parish council's name. <i>Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can ensure that the combined cash and bank balances as identified are included within the AGAR, section 2, line 8.</i>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Limited	There was limited reporting of bank balances across the council's accounts. The Clerk has confirmed that the financial accounting package contains software that will be able to provide an auditable record of all transactions and will support the submission of auditing reports. Post April 2025, the minutes reflect that a bank reconciliation has been submitted for noting. Recommendation: council should ensure that financial reporting be expanded to receive reports from mandated councillors who have been appointed to undertake appropriate bank reconciliation checks. The minutes of council meetings should demonstrate that an internal review and verification 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.
<i>Additional comments:</i>		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Accounts are produced on a receipts and payments basis.
Financial trail from records to presented accounts	Yes	The end of year accounts were presented for the internal auditor review and confirmation is given that there is a financial trail from records to presented accounts.
Has the appropriate end of year AGAR ¹⁰ documents been completed?	Yes	<p>As 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.</p> <p>Recommendation: as council failed to comply with the publication dates during 2023-2024 under the Accounts and Audit Regulations 2015, council should be aware that it must before 1st July 2025 publish the following:</p> <ul style="list-style-type: none"> • Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited; • Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4 • Section 2 - Accounting Statements 2024/25, approved and signed, page 5. <p><i>Comment: The council must also publish on the website the period for the exercise of public rights and the name and address of the external auditor before 1 July 2025 noting that the exercise of public rights of 30 consecutive working days must include the first ten working days of July.</i></p>

¹⁰ Annual Governance & Accountability Return (AGAR)

<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Yes	As the Parish Council had gross income and expenditure not exceeding £25,000 during 2023-2024, it was able to declare itself exempt from a limited assurance review for the year ending 31 st March 2024. The minutes of 14 th October 2024 demonstrate that Sections 1 and 2 and the Certificate of Exemption were reviewed, and permission was given for the Chair and Clerk to sign the documents. <i>Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.</i>
<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>	No	The internal auditor is able to confirm that whilst the notice of the public rights seen on the website had the dates of 18 th October to 29 th November 2024 with the form dated 17 th October 2024, council failed to approve and publish information before 1 July 2024. As such Council is unable to demonstrate that during the year under review, it ensured that the period for the exercise of elector's rights during Summer 2024 was in accordance with the period specified within the Accounts and Audit Regulations 2015. <i>Comment: Within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection.</i> Recommendation: in order to warrant a positive response to Assertion 4, the council needed to be able to demonstrate that it provided an opportunity for the exercise of public rights during the Summer of 2024 to include the common period of the first two weeks of July and to last for a period of 30 working days.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	No	The Council has not fully complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31 st March 2024 as it failed to publish all of the following on the website by 1 st July 2024. Those in bold and italics were missing in their entirety from the website: <ul style="list-style-type: none"> • Certificate of Exemption • Annual Internal Audit Report

¹¹ Accounts and Audit Regulations 2015

		<ul style="list-style-type: none">• Section 1 – Annual Governance Statement of the AGAR• Section 2 – Annual Accounting Statements of the AGAR• Notice of the period for the exercise of public rights• <i>Analysis of variances</i>• <i>Bank reconciliation – year-end</i>
<i>Additional comments:</i>		

Section 12 – internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	No	There is no minute to demonstrate that the council considered the Internal Audit Report for the period ending 31 st March 2024 which was conducted in August 2024.
Has appropriate action been taken regarding the recommendations raised?	No	<p>During the year under review, council did not undertake a formal review of the report, nor did it consider and proposed actions from the Clerk arising from the recommendations and comments from the Internal Audit Report. It is however noted that the agenda for the meeting of 29th May 2025 contains an agenda item which is to consider the Internal Audit Report and supporting document from the previous Year (2023-2024). The recommendations raised within the internal audit report for the year ending 31st March 2024 were as follows and those in bold are outstanding:</p> <ol style="list-style-type: none"> To review Standing Orders and Financial Regulations Adoption of a statement of internal control To publish and retain on the website the notice of the exercise of public rights until after the following year's internal audit. To formally record the precept amount being requested in the minutes <p>Recommendation: council should consider its response to Assertion 7 of the Annual Governance Statement as to be able to provide a positive response to Assertion 7 of the Annual Governance Statement, council should have responded to and addressed the matters brought to its attention by internal and external audit.</p>
Has the Council confirmed the appointment of an internal auditor?	Yes	<p>The appointment of the person to act as the parish council's independent internal auditor for the year 2024 – 2025 was approved at the council meeting of 16th April 2025.</p> <p><i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and</i></p>

<p><i>Has the letter of engagement been approved by full council?</i></p>	<p><i>management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i> The letter of engagement was approved at the meeting of 16th April 2025. <i>Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.</i></p>
<p>Additional comments:</p>	

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

¹² Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		Internal auditor commentary
Was the annual meeting held in accordance with legislation? ¹³	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 16 th May 2024 in accordance with legislation in place at that time.
Is there evidence that Minutes are administered in accordance with legislation? ¹⁴	Yes	<p>Council is aware that under LGA 1972 schedule 12, paragraphs 41(1) and 44, the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.</p> <p>Recommendation: Council should ensure that, in accordance with legislation, loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page.</p> <p>Whilst the minutes show apologies noted (where applicable), it is not always apparent as to whether the Council formally recorded that it has approved the apologies submitted.</p> <p>Recommendation: s85 of the 1972 Act states that “..if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.” Council is advised to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification.</p> <p>NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.</p>

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

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

<i>Is there a list of members' interests held?</i>	Yes	A copy of the members' interests for all of the serving councillors was seen on the district council's website with a direct link from that of the parish council's.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council has no declared trustee responsibility.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	No	<p>Council should be aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities. For those authorities that fall between the Transparency Code 2014 and the Transparency Code 2015 (gross income and expenditure exceeding £200,000), guidance is given that councils should strive to follow the provisions of the 2015 code.</p> <p><i>Comment: council should seek to review the requirements of the code and publish certain datasets on its website in accordance with the required timescales., is working towards compliancy of the 2014 code.</i></p> <p>Recommendation: during the coming year, council should also seek to ensure that the associated papers for each meeting, upon which the council will rely for informed decision making, are uploaded alongside the agenda.</p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	Yes	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.</p> <p>As defined under the Freedom of Information Act 2000, council should be aware that it needs to adopt and publish a Publication Scheme, tailored to the council to accurately reflect council's activities undertaken and the manner in which information will be made available.</p> <p>Recommendation: Council should seek to review the information it holds under the scheme and ensure that it is up to date and that it is available to view on its website in a format that is tailored to the parish council.</p>
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Work required	Council has adopted and published a privacy notice that covers the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party and

¹⁵ Data Protection Act 2018

		to link this into a Data Retention Policy which would detail the periods for which documentation will be held, along with the methods of disposal. Recommendation: Council should consider further policies that provide 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. Also for consideration should be policies detailing the procedures to be followed for dealing with subject access; freedom of information requests and procedures for dealing with data breaches.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	<i>Work required</i>	Whilst Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, it is still to publish a website accessibility statement on the Council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. Recommendation: Council should ensure that it publishes on its website, a Website Accessibility Statement, which has identified the areas which are not accessible and shows that council has a forward plan so that it can make amendments to improve this.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	<i>Yes but action required</i>	Council operates with Gmail addresses for the Clerk and councillors which are not owned by the council and are not hosted on an authority owned domain. Recommendation: council should review the requirements of the new Assertion in the Annual Governance Statement (effective April 2025) which, to warrant a positive response, requires the council to have a generic email account hosted on an authority owned domain. Sections 5.117 to 5.120 in the Proper Practices Guide (March 2025) provides clarity on the manner in which an authority owned email account satisfies GDPR principles, integrity, confidentiality, accountability and transparency.

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

<i>Is there evidence that electronic files are backed up?</i>	Yes	Council uses a system whereby a back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate a committee system.
<i>Additional comments:</i>		

Signed: Victoria S Waples

Date of Internal Audit Review: 09/06/2025 & 10/06/2025

Date of Internal Audit Report: 10/06/2025

On behalf of Suffolk Association of Local Councils