

LPC Internal Audit 2025/26 Report Summary

Section 1 – Financial Regulation and Standing Orders	
Have Standing Orders been adopted, up to date and reviewed annually?	Partially
Are Financial Regulations up to date and reviewed annually?	Yes
Has the Council properly tailored the Financial Regulations?	Yes
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes
Section 2 – Budgetary controls	
Verify that budget has been properly prepared and agreed?	Yes
Verify that the precept amount has been agreed in full Council and clearly minuted	Yes
Regular reporting of expenditure and variances from budget?	Yes
Reserves held – general and earmarked?	Yes
Section 3 – Proper bookkeeping	
Is the ledger maintained and up to date?	Yes
Is the ledger on the correct basis in relation to the gross income/expenditure?	Yes
Is the cash book up to date and regularly verified?	Yes
Is the arithmetic correct?	Yes
Section 4 – Payment controls	
Is there supporting paperwork for payments with appropriate authorisation?	Yes
Where applicable, are internet banking transactions properly recorded and approved?	Yes
Is VAT correctly identified, recorded, and claimed within time limits?	Yes
Are payments under Section 137 separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Yes
Section 5 – Income controls	
Is income properly recorded and promptly banked?	Yes
Is income reported to full council?	Yes
Does the precept recorded agree to the Council Tax Authority's notification?	Yes
If appropriate, are CIL reporting schedules in accordance with the Regulations? ⁵	Yes
Is CIL income reported to the council?	Yes
Does unspent CIL income form part of earmarked reserves?	Yes
Has an annual report been produced?	Yes
Has it been published on the authority's website?	Yes
Section 6 – Petty cash	N/A
Section 7 – Bank reconciliation	
Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	Yes
Do bank balances agree with bank statements?	Yes
Is there regular reporting of bank balances at Council meetings?	Yes
Section 8 – Payroll controls	
Do all employees have contracts of employment?	Yes

Has the Council approved salary paid?	Yes
Are all employees paid at least the minimum wage?	Yes
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?	Yes
Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?	Yes
Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation? ⁶	Yes
Have pension re-declaration duties been carried out	Yes
Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?	Yes
Section 9 – Year End procedures	
Are appropriate accounting procedures used?	Yes
Financial trail from records to presented accounts	Yes
Has the appropriate end of year AGAR ⁷ documents been completed?	Yes
During the period in question did the small authority demonstrate that it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations 2015?	No
Have the publication requirements been met in accordance with the Regulations? ⁸	No
Section 10 – Risk management	
Is there evidence of risk assessment documentation?	Yes
Is there evidence that risks are being identified and managed?	Yes
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?	Partially
Evidence that internal controls are documented and regularly reviewed	Yes
Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment	Yes
Section 11 – Asset control	
Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices? ¹¹	Yes
Is the value of the assets included? (Note value for insurance purposes may differ)	Yes
Are records of deeds, articles, land registry title number available?	No
Is the asset register up to date and reviewed annually?	Yes
Cross checking of insurance cover?	Yes
Section 12 – Assertion 10	
Has the Council registered with the Information Commissioner's Office (ICO)?	Yes
Is there an adopted council publication scheme and is it reviewed regularly?	Yes
Is the Council compliant with the General Data Protection Regulation requirements?	Partially
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	Yes
Has the Council published a website accessibility statement on their website in line with Regulations? ¹⁴	No
Has website accessibility been tested, at least annually?	No
Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?	Yes
Does the council have an IT policy that is tailored to the council?	No

Section 13 – Internal audit	
Has the Council considered the previous internal audit report?	Yes
Has appropriate action been taken regarding the recommendations raised?	Partially
Has the Council confirmed the appointment of an internal auditor and has the letter of engagement been approved by full council?	Partially
Section 14 – External audit for the period under review	
Has the Council considered the previous external audit report?	No
Has appropriate action been taken regarding the comments raised?	No
Section 15 – Additional information	
Was the annual meeting held in accordance with legislation?	Yes
Is there evidence that Minutes are administered in accordance with legislation?	Partially
Is there a list of members' interests held?	Yes
Is there evidence that electronic files are backed up?	Yes
Do terms of reference exist for all committees and is there evidence these are regularly reviewed?	Partially

Audit areas that need addressing

1. Make sure we publish the correct format of the period of *exercising public rights*, which is required by *Accounts and Audit Regulations 2015*
2. Some publication requirements were not met in accordance with the regulations, so the clerk needs to ensure ALL agendas and minutes are published properly
3. All sub-committee agendas need to ensure they are convened by a formal summons issued by the Proper Officer – as is done with the Full Council
4. Make sure all minutes from the previous sub-committee are reviewed and signed off at each meeting, before republishing as 'final' on website
5. Send our any previous planning, Grounds and Finance committee minutes with monthly PC meetings documents, if these have taken in the month.
6. Develop or update Terms of Reference documents for the Planning, Grounds and Finance Committee.
7. Find out about LPC's records of deeds, articles, land registry title numbers and make these available
8. Need to publish a website accessibility statement, in line with new regulations and website accessibility needs to be tested annually
9. LPC need to adopt an IT Policy aligned with proper practices, to provide a clear framework for secure and effective use of our data
10. Make sure we always hold a special session to review and take actions on previous external audit reports

Detailed recommendations and actions from 2025/26 Internal Audit Report

Section 9 – Year End procedures		
Evidence		Internal auditor commentary
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations 2015?</i>	No	The internal audit identified that a document titled “Confirmation of the Dates of the Period for the Exercise of Public Rights” has been published on the Council’s website. However, this is the short-form document intended for submission to the external auditor. This document does not meet the statutory requirement to publish a formal notice of public rights, which must include prescribed information and be made available to the public for the relevant period in accordance with the Accounts and Audit Regulations 2015. RECOMMENDATION: The Council should ensure that the correct notice of public rights is published on its website in the prescribed format.
<i>Have the publication requirements been met in accordance with the Regulations?</i>	No	The incorrect document was published therefore the statutory requirement has not been met.
ACTION: Clerk to use correct form format to publish this year’s Internal and External Audit report.		
Section 10 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<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>	Partially	The Council has insurance in place under a specialist policy with Gallagher which shows core cover for the following: Public/Products Liability: £10m; Employers Liability £10m and Fidelity Guarantee of £500k. However, no evidence was identified within the minutes for the period under review to demonstrate that the Council has formally reviewed its insurance arrangements on an annual basis. Proper Practices require that authorities regularly review the adequacy of their insurance cover to ensure that risks are appropriately managed. In the absence of a recorded review, it is not possible to verify that the Council has satisfied itself that its insurance cover remains sufficient and fit for purpose. RECOMMENDATION: The Council should ensure that its insurance arrangements are reviewed at least annually and that this review is clearly recorded in the minutes to provide a clear audit trail.
ACTION: Clerk to add item to Parish Council agenda when our 3 insurance policies are up for renewal and ensure that agreed policy/price is discussed, approved and minuted.		
Section 11 – 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.		
<i>Are records of deeds, articles, land registry title number available?</i>	No	The Council owns land and buildings however the level of detail recorded is limited. In particular, key information such as HM Land Registry title numbers are not provided. The absence of this information reduces the Council’s ability to clearly evidence legal ownership and limits assurance that property interests are fully documented and safeguarded.
ACTION: Clerk to check Land Registry and find out what buildings and land are owned by LPC. The names of trustees may need to be reviewed and changed, so this will be brought to a Parish Council meeting for review and approval.		

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.

<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</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> 	Partially	<p>The Council has taken steps to address its obligations under the UK General Data Protection Regulation (UK GDPR), including the adoption of relevant policies during the year.</p> <p>The following documents were evidenced on the Council's website:</p> <ul style="list-style-type: none"> • Data Protection Policy approved 9 February 2026 • Document and Data Retention Policy approved 9 February 2026 <p>However, no evidence was provided to demonstrate that further key elements required to support effective data protection compliance have been implemented. In particular, no evidence was provided of:</p> <ul style="list-style-type: none"> • Subject Access Request Policy and Procedure • Privacy Notice • a Data Audit or Record of Processing Activities • Data Protection Impact Assessments (where required) <p>RECOMMENDATION: The Council should implement a Subject Access Request Policy and Procedure and adopt a Privacy Notice to ensure transparency in how personal data is handled.</p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p>	No	<p>Two accessibility statements were identified on the Council's website: one provided by the website host, Suffolk Cloud, which indicates that the site has been tested against WCAG 2.2, although not since November 2024, and a separate statement issued by the Council which refers to testing against WCAG 2.1 undertaken on 22 September 2020.</p> <p>The presence of two differing statements, together with the age of the Council's own statement, creates uncertainty as to the current level of compliance and whether the website has been subject to recent accessibility testing in line with current standards of WCAG2.2. In the absence of a single, up-to-date accessibility statement clearly reflecting the current status of the website, it is not possible to fully verify compliance with accessibility regulations.</p> <p>RECOMMENDATION: The Council should ensure that a single, current accessibility statement is published on its website, accurately reflecting the latest testing undertaken against the relevant WCAG standard, and that this is reviewed and updated annually.</p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	No	<p>Evidence was identified to demonstrate that website accessibility testing has been undertaken; however, the most recent testing referenced is dated November 2024 (WCAG 2.2 via the website provider) and 22 September 2020 (WCAG 2.1 via the Council's own statement). There is no evidence to demonstrate that accessibility testing has been undertaken on at least an annual basis or that the Council has formally reviewed accessibility compliance within the period under review. In the absence of regular, evidenced testing, it is not possible to verify that the website continues to meet current accessibility standards.</p> <p>RECOMMENDATION: The Council should ensure that website accessibility is tested at least annually against the relevant WCAG standard and that this is clearly documented and reflected in an up-to-date accessibility statement published on the website.</p>

<p><i>Does the council have an IT policy that is tailored to the council? ¹⁶</i></p>	<p>No</p>	<p>The Council confirmed that an IT Policy is not currently in place. Proper Practices, as set out in the Practitioners' Guide 2025 issued by the Smaller Authorities' Proper Practices Panel, state that all smaller authorities (excluding parish meetings) must have an IT policy in place to ensure that authority business is conducted in a secure and lawful manner when using IT systems and equipment. In the absence of an IT Policy, there is a risk that key areas such as data security, access controls, acceptable use and the handling of Council information are not formally defined or consistently applied.</p> <p>RECOMMENDATION: The Council should adopt an IT Policy aligned with Proper Practices to provide a clear framework for the secure and effective use of its IT systems and data.</p>
<p>ACTION: Clerk to meet with Debbie Martindale to review LPC's website and policies for compliance. In particular:</p> <ul style="list-style-type: none"> • Subject Access Request Policy and Procedure; Privacy Notice; Data Audit; Record of Processing Activities and Data Protection Impact Assessments • Testing website accessibility against WCAG standards annually and ensuring this is documented in an up-to-date accessibility statement that must be published on LPC's website <p>Clerk to review LPC's current IT Policies in light of 2025 legislation and consider changes, or developing a new IT policy to improve IT systems and data security. Currently we have policies the following policies:</p> <ul style="list-style-type: none"> • Document and data retention ; Open Media ; Publication Scheme 		
<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>Has appropriate action been taken regarding the recommendations raised?</p>	<p>Partially</p>	<p>The minutes confirm that the Council received the internal audit report; however, there is no record to demonstrate that the Council formally considered the findings, reviewed the work carried out, or agreed actions arising from the report. In addition, the prior year internal audit identified potential errors in VAT claims and recommended that these be corrected through adjustment in a subsequent return where appropriate. No evidence was provided to demonstrate that these matters were reviewed or rectified, and the VAT returns submitted for the period under review do not show any adjustments. In the absence of such evidence, it is not possible to verify that appropriate action has been taken to address the issues identified.</p> <p>RECOMMENDATION: The Council should ensure that its consideration of the internal audit report, including any actions agreed or implemented, is clearly minuted to provide a transparent audit trail and demonstrate effective governance.</p>
<p><i>Has the Council confirmed the appointment of an internal auditor?¹⁷</i> <i>Has the letter of engagement been approved by full council?¹⁸</i></p>	<p>Partially</p>	<p>SALC were appointed as the Council's internal auditors for the year ending 31 March 2026 at the meeting of 9 March 2026. However, no evidence was provided to demonstrate that a formal letter of engagement has been approved by the Council. A letter of engagement is an important document which defines the scope of the audit, roles and responsibilities, reporting arrangements, and terms of appointment. The absence of a formally approved engagement document weakens assurance that the internal audit function is clearly defined, independent, and operating in accordance with proper practices.</p> <p>RECOMMENDATION: The Council should ensure that a formal letter of engagement is agreed with the internal auditor and approved by the Council.</p>

ACTION: Clerk to ensure wording in minutes is clear.
Actual minutes: Item 8 - Internal and External Audit for 2025/26: Full Council gave approval for the clerk to book SALC for the annual internal audit process and P. F. K. Littlejohn to carry out the external audit. The audit process will take place in April. Proposed R. Sutton, seconded D. Martindale.
Suggested minutes: Item 8 - Internal and External Audit for 2025/26: It was unanimously resolved to appoint the Suffolk Association of Local Councils as the Council's Internal Auditor for the financial year 2025–2026 and to accept the Letter of Engagement.

Section 14 – External audit for the period under review
 The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.

<i>Has the Council considered the previous external audit report?</i> ¹⁹	No	<p>The internal audit did not identify any evidence within the minutes for the period under review to demonstrate that the Council has considered the previous external audit report. In the absence of such evidence, it is not possible to verify that the Council has formally reviewed the findings or recommendations arising from the external audit process, which may limit oversight and the opportunity to address any matters raised.</p> <p>RECOMMENDATION: The Council should ensure that consideration of the external audit report is clearly recorded in the minutes, including any actions agreed, in order to demonstrate effective governance and provide a clear audit trail.</p>
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<i>Has appropriate action been taken regarding the comments raised?</i>	No	<p>The external auditor's report highlighted weaknesses in relation to VAT returns and claims and advised that the Council should ensure that action is taken to address these areas in a timely manner. The internal audit did not identify any evidence within the minutes for the period under review to demonstrate that the Council has formally considered these comments or agreed actions in response.</p> <p>In the absence of such evidence, it is not possible to verify that appropriate action has been taken to address the matters raised, which may impact the effectiveness of financial controls and compliance with VAT requirements.</p> <p>RECOMMENDATION: The Council should ensure that external audit findings are formally considered, with any actions agreed and clearly recorded in the minutes, to provide assurance that identified weaknesses are being addressed.</p>
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ACTION: Clerk to ensure dedicated session takes place under a specific 'audit' item to review the recommendations and actions from the previous year's audit report, as this has not happened in the past. This document is part of that action for this financial year.

Section 15 – Additional information
 Internal auditor to look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.

<i>Is there evidence that Minutes are administered in accordance with legislation?</i>	Partially	<p>The Council is aware of its obligations under Schedule 12, paragraphs 41(1) and 44 of the Local Government Act 1972, which require that minutes are formally approved (with any necessary amendments) at the next meeting and signed by the Chair. This process is evidenced in the Council's minutes. The minutes of the Council meeting held on 14 July 2025 record that an Extraordinary Meeting took place on 7 July 2025. At the time of audit, the minutes of the Extraordinary Meeting were not available on the Council's website. In addition, there is no record in subsequent minutes of those minutes being presented for approval.</p> <p>RECOMMENDATION: The Council should ensure that minutes of all meetings are presented for approval at the next appropriate meeting and are subsequently published on the website in a</p>
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		<p>timely manner, in order to support transparency and maintain a clear and complete audit trail.</p> <p>A review of Committee agendas indicates that, while they set out the business to be transacted, they do not include any indication that they form part of a formal summons issued to councillors to attend. Under Schedule 12 of the Local Government Act 1972, meetings must be convened by summons issued by the Proper Officer.</p> <p>RECOMMENDATION: The Council should ensure that all meetings are convened by a formal summons issued by the Proper Officer and that this is retained as part of the Council’s records to provide a clear audit trail.</p> <p>A review of the Planning Committee minutes for the period under review did not identify any record of the minutes of the previous meetings being considered for approval. Minutes should be approved at the next meeting as a correct record and signed by the Chair. In the absence of such evidence, it is not possible to verify that the Committee is complying with statutory requirements for the approval of minutes, which may weaken the reliability of the official record of decisions taken.</p> <p>RECOMMENDATION: The Council should ensure that Planning Committee minutes are presented for approval at the next meeting and that this is clearly recorded in the minutes to provide a clear and complete audit trail.</p> <p>Minutes of committee meetings are not routinely received and noted by the Council at its monthly meetings. The Council may delegate functions to committees; however, it remains responsible for the exercise of those functions and should therefore receive and consider reports of decisions taken. In the absence of committee minutes being formally reported to and noted by the Council, there is a risk that decisions made under delegated authority are not subject to appropriate oversight, and that a complete and transparent record of Council business is not maintained.</p> <p>RECOMMENDATION: The Council should ensure that minutes of all committee meetings are reported to the next available full Council meeting and formally noted, in order to support effective governance and provide a clear audit trail of decisions taken under delegated powers.</p>
<p><i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i></p>	<p>Partially</p>	<p>Terms of Reference for each of the Council’s standing committees were provided for audit and include a provision that they should be reviewed annually. However, there is no record within the minutes for the period under review to demonstrate that this review has taken place. In the absence of such evidence, it is not possible to verify that the Terms of Reference are being reviewed in accordance with their stated requirement, which may result in committees operating under arrangements that are not fully up to date.</p> <p>RECOMMENDATION: The Council should ensure that the annual review of Terms of Reference is formally considered and clearly recorded in the minutes, with updated versions dated accordingly, to provide a clear audit trail.</p>
<p>ACTION: On all sub-committees, the clerk to ensure following:</p> <ul style="list-style-type: none"> • All sub-committee agendas need to ensure they are convened by a formal summons issued by the Proper Officer – as is done with the Full Council • Make sure all minutes from the previous sub-committee are reviewed and signed off at each meeting, before republishing as ‘final’ on website • Send our any previous planning, Grounds and Finance committee minutes with monthly PC meetings documents, if these have taken in the month. • Develop Terms of Reference documents for the Planning, Grounds and Finance Committee.* <p><i>* Note: Some ToR were available and sent to the auditor, but these were quite old and are in need of review and approval each year.</i></p>		