

## Internal Audit Report for Laxfield Parish Council for the period ending 31 March 2026

Clerk	Peter Lowe
RFO (if different)	n/a
Chairperson	Robert Sutton
Precept	£53,000.00
Income	£71,863.01
Expenditure	£106,808.29
General reserves	£3,770.46
Earmarked reserves	£87,821.84
Audit type	Annual – non-exempt authority
Auditor name	Sharon Smith

### 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 adopts 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

<b>Section 1 – Financial Regulation and Standing Orders</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
Have Standing Orders been adopted, up to date and reviewed annually?	Partially	<p>The Council’s Standing Orders broadly follow the structure of the NALC Model Standing Orders; however, they appear to be based on an earlier version of the template and do not reflect the most recent updates issued by NALC in March 2025. While the document has been approved by the Council at a meeting held on 9 February 2026, there is no clear evidence that the latest model provisions have been incorporated.</p> <p><i>COMMENT: The Council should review its Standing Orders against the latest NALC Model Standing Orders and consider whether any updates are required to ensure alignment with current guidance and best practice.</i></p>
Are Financial Regulations up to date and reviewed annually?	Yes	<p>The Council has adopted Financial Regulations based on the NALC Model Financial Regulations dated March 2024. Although the Clerk has confirmed that these were formally approved by the Council, no corresponding minute was identified during the audit to evidence the approval. In the absence of a clear minute record, it is not possible to verify the formal adoption as part of the audit process.</p> <p>In addition, NALC issued an updated version of the Model Financial Regulations in March 2025, which has not yet been reflected within the Council’s current Regulations. As a result, the Regulations in use may not fully incorporate the most recent updates and best practice guidance.</p> <p><b>RECOMMENDATION: The Council should formally review and approve its Financial Regulations by resolution, ensuring this is clearly recorded in the minutes. The Council should also review its Financial Regulations against the latest NALC Model Financial Regulations and consider whether any updates are required to ensure alignment with current guidance and best practice. In doing so, the Council may also wish to have regard to the National Association of Local Councils</b></p>

		<b>Procurement Advice Note (3 February 2026) and consider incorporating any relevant provisions to ensure that its procurement procedures remain current and robust.</b>
Has the Council properly tailored the Financial Regulations?	Yes	The Financial Regulations published on the Council’s website have been tailored to the Council.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	In accordance with statute, the Council confirmed the appointment of the Clerk to be responsible for the administration of the financial affairs of the Council at a meeting held on 10 March 2025.

**Section 2 – Budgetary controls**

The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed

<sup>1</sup> Section 151 Local Government Act 1972

Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	<p>The budget for the year 2025-2026 was considered and approved by the Council at an extraordinary meeting held on 28 January 2025. However, the approved budget amount is not recorded in the minutes and the approved budget has not been published on the Council's website. The absence of the approved budget figure in the minutes limits transparency and weakens the audit trail, as it is not possible to confirm the exact level of expenditure authorised by the Council. In addition, the lack of publication restricts public access to key financial information. While the Council may not be required to comply with the Local Government Transparency Code 2015, publication of the approved budget is regarded as good practice and supports openness and accountability.</p> <p><i>COMMENT: The Council may wish to consider recording the approved budget amount within the minutes of the meeting at which it is agreed and that the approved budget is published on the Council's website in a timely manner, in line with best practice, to support transparency and maintain a clear and complete audit trail.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £53,000 for 2025-2026 and formally approved by the Council at an extraordinary meeting held on 28 January 2025 recording a 9.29% increase over that of the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Budget versus actual income and expenditure reports were presented to and reviewed by the Council at monthly meetings and recorded in the minutes.
Reserves held – general and earmarked <sup>2</sup>	Yes	The Council held General Reserves of £3,770.46 at year end, against a precept of £53,000. This represents approximately 7% of the annual precept. This is below the level generally recommended in Proper Practices, which suggests that general reserves should typically equate to between 3 and 12 months of Net Revenue Expenditure. It is noted that the Council is aware of the low level of general reserves, as recorded in the minutes of 28

<sup>2</sup> In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

		<p>January 2025. A low level of general reserves may limit the Council's ability to respond to unforeseen expenditure or financial pressures and may impact financial resilience. In addition, without a clearly defined approach to reserves, it may be more difficult to demonstrate that reserve levels are appropriate and aligned with the Council's financial risks and commitments.</p> <p>Whilst there is no prescribed upper limit for earmarked reserves, these should be held for specific, genuine and intended purposes, and their level should be subject to regular review and justification, at least annually.</p> <p><b>RECOMMENDATION: The Council should consider adopting a formal Reserves Policy which sets out the rationale for the level of general reserves, including how it intends to achieve and maintain an appropriate level in line with Proper Practices.</b></p>
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**Section 3 – Proper bookkeeping**

The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.

Evidence		Internal auditor commentary
<i>Is the ledger maintained and up to date?</i>	Yes	The Council uses Excel spreadsheets to produce reports on a receipts and payments basis and ensures that the financial transactions of the Council are accurate. All transactions are well referenced and provide an effective tool for the basis of the Council's internal controls.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	The 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. The 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 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.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out, and the cashbook was found to be in order.

**Section 4 – Payment controls**

<p>The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
Evidence		Internal auditor commentary
<p>Is there supporting paperwork for payments with appropriate authorisation?</p>	<p>Yes</p>	<p>A selection of expenditure items was made and cross-checked against the cash book and bank statements. The minutes indicate that payments are presented to Council for approval; however, this approval appears to be retrospective, with payments made in one month (e.g. April) being reported to and approved by Council at the following meeting (e.g. May).</p> <p>The Council's Financial Regulations require that the RFO prepares a schedule of payments requiring authorisation for consideration by Council, and that invoices are presented for approval prior to payment, except in limited circumstances where delegated authority applies. Whilst provision exists for certain payments to be made under delegated authority (e.g. to avoid late payment charges), these should be reported to the next meeting for information rather than approval.</p> <p>The practice of retrospectively approving payments suggests that expenditure is being incurred prior to formal authorisation by Council, which is not in accordance with the Council's Financial Regulations and weakens the effectiveness of financial controls. In the absence of clear evidence that payments are either pre-approved or fall within delegated authority, it is not possible to verify that all expenditure has been properly authorised.</p> <p><b>RECOMMENDATION: The Council should ensure that a schedule of payments is presented to Council for approval in advance of payment, except where payments are made under properly defined delegated authority, in which case these should be reported to Council for noting</b></p>

		<b>only. This will ensure compliance with Financial Regulations and strengthen financial control over expenditure.</b>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's expenditure. The Internal Control Statement details the procedure to be followed for such payments.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	Recoverable VAT is identified in the cash book with a claim made during the period under review evidenced as received in the Council's bank account on 14 January 2026 at a value of £5,503.93. A further claim has been made to HMRC for £751.68 for the remainder of the period under review.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>3</sup>	N/A	The Council has not confirmed that it is eligible to exercise the General Power of Competence.
Are payments under s.137 <sup>4</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	No payments have been identified as being incurred under section 137 during the year.  However, the Council does not record the statutory power relied upon for each item of expenditure. This makes it difficult to confirm that all payments are supported by an appropriate legal power. Where no specific statutory power exists, expenditure should be identified and recorded as falling under section 137.  <i>COMMENT: The Council may wish to record the statutory power relied upon for each item of expenditure within the cash book and/or minutes.</i>
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Yes	The Council has a Public Works Board Loan. Interest repayments are made twice yearly on a fixed EIP (equal instalments of principal) repayment method. The balance outstanding as at 31 March 2026 was seen and verified as £66,426.56.

<sup>3</sup> Localism Act

<sup>4</sup> 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.

<b>Section 5 – Income controls</b>		
The internal auditor will seek evidence to ensure income is correctly managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is income properly recorded and promptly banked?</i>	Yes	A number of items of income were cross-checked against the cash book and bank statement and found to be in order. In accordance with Proper Practices the Clerk ensures that accounting records contain day to day entries of all sums of money.
<i>Is income reported to full council?</i>	Yes	Income received is reported to the Council within the financial report presented at its monthly meetings.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The Council received a precept of £53,000 during the year under review from Mid Suffolk District Council in April and September.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>5</sup></i>	Yes	The Council has complied with its duty to produce an annual report that details the amount of CIL funds received and spent. The Council has demonstrated it understands the requirements to comply with its duty to produce and publish the annual report. In accordance with regulations Council has ensured that retained balances are transferred to the earmarked reserves specifically restricted.
<i>Is CIL income reported to the council?</i>	Yes	CIL income for the year under review was reported to Council and recorded in the minutes of 10 November 2025.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	CIL is the Council's only earmarked reserve.
<i>Has an annual report been produced?</i>	Yes	The Council has complied with its duty to produce annual reports that detail the amount of CIL funds received and spent and has demonstrated it understands the requirements to comply with its duty to produce and publish the annual report.
<i>Has it been published on the authority's website?</i>	Yes	The annual report has been published on the Council's website.

<sup>5</sup> Community Infrastructure Levy Regulations 2010

<b>Section 6 – Petty cash</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is petty cash in operation?</i>	N/A	The Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	N/A

<b>Section 7 – Bank reconciliation</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are presented to and reviewed by the Council, as evidenced in the minutes; however, the reconciliations are not signed and dated by the Responsible Financial Officer, nor is there clear evidence of independent verification by a Councillor in accordance with the Council's Financial Regulation 2.6.  <b>RECOMMENDATION: The Council should ensure that bank reconciliations are signed and dated by the Responsible Financial Officer and independently verified by an appointed member in accordance with Financial Regulation 2.6.</b>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Bank balances are reported to the Council through the presentation of bank reconciliations, as evidenced in the minutes, and are presented on a regular basis.

<b>Section 8 – Payroll controls</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Do all employees have contracts of employment?</i>	Yes	The Council had one employee on its payroll at the period end 31 March 2026. Employment contracts were not reviewed during the internal audit, but the Clerk has confirmed that a Contract of Employment is in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to the Council for approval and payments made in accordance with Council's own Financial Regulations.
<i>Are all employees paid at least the minimum wage?</i>	Yes	No employee is paid 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	The payroll function is operated in accordance with HM Revenue and Customs guidelines. 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 employment legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on payments covering salary and PAYE were found to be in order.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>6</sup></i>	Yes	The employee has opted out of a pensions scheme.
<i>Have pension re-declaration duties been carried out</i>	Yes	Evidence was provided to confirm that the Pension Re-declaration was submitted to The Pensions Regulator on 15 January 2026. However, no evidence was identified within the minutes to demonstrate that this had been reported to or noted by the Council.  <b>RECOMMENDATION: The Council should ensure that key regulatory submissions, including pension re-declarations, are reported to</b>

<sup>6</sup> The Pension Regulator – [website click here](#)

		<b>Council and clearly minuted to provide assurance, demonstrate oversight and maintain a clear audit trail.</b>
<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 the Council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.

Section 9 – Year End procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The Council's accounting records and supporting documentation were made available for internal audit review.
<i>Has the appropriate end of year AGAR<sup>7</sup> documents been completed?</i>	Yes	The Council has completed the correct form of the AGAR, being Section 2 of Form 3, as a smaller authority with gross income and expenditure exceeding £25,000. The Accounting Statements have been prepared in draft form for internal audit purposes.  <i>COMMENT: As the Council is not a sole managing trustee and does not hold any trust funds, the correct response should be 'Yes', confirming that no trust transactions are included within the accounting statements.</i>
<i>Did the Council meet the exemption criteria for 2024-2025 and correctly declared itself exempt?</i>	N/A	As the Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public 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.  <b>RECOMMENDATION: The Council should ensure that the correct notice of public rights is published on its website in the prescribed format.</b>

<sup>7</sup> Annual Governance & Accountability Return (AGAR)

<i>Have the publication requirements been met in accordance with the Regulations?<sup>8</sup></i>	No	The incorrect document was published therefore the statutory requirement has not been met.
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<sup>8</sup> Accounts and Audit Regulations 2015

<b>Section 10 – Risk management</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is there evidence of risk assessment documentation?</i>	Yes	<p>The Council’s Financial Risk Assessment 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.</p> <p>The Financial Risk Assessment for the year under review was considered and adopted by the Council at a meeting held on 9 March 2026</p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>The Council is aware that risk assessment needs to focus on the safety of the Council’s assets, and particularly its money. There is evidence that the 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.</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>	Partially	<p>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.</p> <p>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.</p> <p><b>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.</b></p>

<i>Evidence that internal controls are documented and regularly reviewed<sup>9</sup></i>	Yes	At the meeting held on 9 February 2026, the Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances by approving the Internal Control Statement.
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment<sup>10</sup></i>	Yes	In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements within the Internal Control Statement as detailed above.

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<sup>9</sup> Accounts and Audit Regulations

<sup>10</sup> Practitioners Guide

<b>Section 11 – Asset control</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>11</sup></i>	Yes	<p>A register of material assets was provided for audit, demonstrating that the Council maintains a record of the assets it owns in line with Proper Practices.</p> <p>The value of the Council’s assets has increased from £116,163 in the prior year to £133,800 at 31 March 2026, an increase of £17,117. A review of the asset register indicates purchases of £13,667 during the period. While there may have been disposals or other adjustments, no reconciliation or explanation has been provided to support this movement.</p> <p><b>RECOMMENDATION: The Council should ensure that a reconciliation is prepared to explain movements in asset values between financial years to provide a clear and transparent audit trail.</b></p>
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	The declared value for all assets at year-end is £133,800.
<i>Are records of deeds, articles, land registry title number available?</i>	No	<p>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.</p> <p>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.</p>

<sup>11</sup> Practitioners Guide

		<p><i>COMMENT: The Council may wish to enhance its asset register by including additional detail for land and property assets, such as HM Land Registry title numbers where registered. Where land is unregistered, the Council should ensure that appropriate evidence of ownership (such as title deeds or conveyancing documents) is securely retained and appropriately referenced within the asset register.</i></p>
<p><i>Are copies of licences or leases available for assets sited at third party property?</i></p>	N/A	<p>The Council confirmed it has no such licences or leases.</p>
<p><i>Is the asset register up to date and reviewed annually?</i></p>	Yes	<p>The asset register records an approval date of 9 March 2026. Although the Clerk has confirmed that the asset register was reviewed and approved by the Council, no corresponding minute was identified during the audit to evidence this formally. In the absence of a clear minute record, it is not possible to verify the approval as part of the audit process.</p> <p><b>RECOMMENDATION: The Council should ensure that the annual review and approval of the asset register is clearly recorded in the minutes to provide a transparent audit trail and evidence of member oversight.</b></p>
<p><i>Cross checking of insurance cover</i></p>	Yes	<p>Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.</p>

<b>Section 12 – Assertion 10</b>		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners' Guide 2025.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>12</sup></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	The Council published a Model Publication Scheme on the Council's website detailing the type of information the Council holds and how it will make it available to the public. The document was approved by the Council at a meeting held on 9 February 2026.
<i>Is the Council compliant with the General Data Protection Regulation requirements?<sup>13</sup></i>  <i>Councils must:</i> <ul style="list-style-type: none"> <li>• <i>Comply with their legal &amp; statutory obligations under UK GDPR &amp; The Data Protection Act 2018</i></li> <li>• <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i></li> <li>• <i>Recognise their role as both data controller and data processor</i></li> </ul>	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"> <li>• Data Protection Policy approved 9 February 2026</li> <li>• Document and Data Retention Policy approved 9 February 2026</li> </ul> <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"> <li>• Subject Access Request Policy and Procedure</li> <li>• Privacy Notice</li> <li>• a Data Audit or Record of Processing Activities</li> <li>• Data Protection Impact Assessments (where required)</li> </ul> <p><b>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. The Council should also</b></p>

<sup>12</sup> Data Protection Act 2018

<sup>13</sup> UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

		<p><b>undertake a Data Audit and establish and maintain a record of processing activities. In addition, the Council should ensure that Data Protection Impact Assessments are completed where required and may wish to consider providing periodic data protection training for Councillors and staff.</b></p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Yes</p>	<p>Whilst there is no statutory requirement for the Council to comply with the Transparency Code 2015 (as its income/expenditure between £25,000 and £200,000), it is regarded as best practice for authorities within this range to work towards its provisions.</p> <p><i>COMMENT: the Council may wish to review its current publication arrangements against the requirements of the Transparency Code 2015 and consider taking steps towards fuller compliance, as a matter of best practice, to enhance transparency and public accountability.</i></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>14</sup></i></p>	<p>No</p>	<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><b>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.</b></p>

<sup>14</sup> Website Accessibility Regulations 2018

<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>No</p>	<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><b>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.</b></p>
<p><i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?<sup>15</sup> For example <a href="mailto:clerk@abccouncil.gov.uk">clerk@abccouncil.gov.uk</a> or <a href="mailto:clerk@abccouncil.org.uk">clerk@abccouncil.org.uk</a></i></p>	<p>Yes</p>	<p>The Council operates with a gov.uk email address for the Clerk demonstrating that the Council has an official status thereby building trust, credibility and authenticity.</p>
<p><i>Does the council have an IT policy that is tailored to the council?<sup>16</sup></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><b>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.</b></p>

<sup>15</sup> Practitioners Guide

<sup>16</sup> Practitioners Guide

<b>Section 13 – Internal audit</b>		
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.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 March 2025 was formally received at the meeting of the Council on 14 April 2025.
Has appropriate action been taken regarding the recommendations raised?	Partially	<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.</p> <p>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><b>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.</b></p>
<p><i>Has the Council confirmed the appointment of an internal auditor?<sup>17</sup></i></p> <p><i>Has the letter of engagement been approved by full council?<sup>18</sup></i></p>	Partially	<p>SALC were appointed as the Council’s internal auditors for the year ending 31 March 2026 at the meeting of 9 March 2026.</p> <p>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.</p>

<sup>17</sup> Practitioners’ Guide

<sup>18</sup> Practitioners’ Guide

		<p>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><b>RECOMMENDATION: The Council should ensure that a formal letter of engagement is agreed with the internal auditor and approved by the Council.</b></p>
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<b>Section 14 – External audit for the period under review</b>	
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.	
<b>Evidence</b>	<b>Internal auditor commentary</b>
<p><i>Has the Council considered the previous external audit report?<sup>19</sup></i></p>	<p>No</p> <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><b>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.</b></p>
<p><i>Has appropriate action been taken regarding the comments raised?</i></p>	<p>No</p> <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><b>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.</b></p>

<sup>19</sup> 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.

<b>Section 15 – Additional information</b>		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>20</sup>	Yes	The Annual Meeting of the Council was held on 19 May 2025 and the first item on the agenda was the election of Chair.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>21</sup>	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.</p> <p>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><b>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 timely manner, in order to support transparency and maintain a clear and complete audit trail.</b></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>

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

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

	<p><b>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.</b></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. Under Schedule 12 of the Local Government Act 1972, 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><b>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.</b></p> <p>Minutes of committee meetings are not routinely received and noted by the Council at its monthly meetings. Under Section 101 of the Local Government Act 1972, 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><b>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.</b></p>
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<p><i>Is there a list of members' interests held?</i></p>	<p>Yes</p>	<p>A copy of the members' interests for all serving councillors was seen on the District Council's website. There is however no link from the Parish Council's own website to that of the District.</p> <p><i>COMMENT: The Council should consider including a clear and accessible link on its website to the members' interests held on the District Council's website, in order to improve transparency and make it easier for residents to access this information.</i></p>
<p><i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i></p>	<p>N/A</p>	<p>Council has no declared trustee responsibility.</p>
<p><i>Is there evidence that electronic files are backed up?</i></p>	<p>Yes</p>	<p>The Council uses a system whereby a back-up of the Council's data is taken and stored appropriately by the Clerk and on Suffolk Cloud.</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><b>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.</b></p>

Signed: *Sharon G. Smith*

Date of Internal Audit review: 24 April – 1 May 2026

Date of Internal Audit Report: 1 May 2026

On behalf of Suffolk Association of Local Councils