

Internal Audit Report for Horham and Athelington Parish Council for the period ending 31 March 2025

Clerk	
RFO (if different)	As above
Chairperson	
Precept	£3,000.00
Income	£3,151.54
Expenditure	£6,869.57 from cashbook supplied
General reserves	£unable to verify
Earmarked reserves	£unable to verify
Audit type	Annual – exempt authority
Auditor name	Victoria Waples

The Internal Auditor offers her appreciation for the assistance given by the clerk (appointed in June 2025) in the completing of this audit.

The internal audit review, undertaken on the documentation provided to the internal auditor and that published on the council’s website, has highlighted the importance of maintaining accurate financial records to ensure there is appropriate evidence to support the overall adequacy of the financial arrangements in place within the council.

Acknowledging that the primary role of the internal auditor is to provide independent, objective assurance to members and management that key risks are being managed effectively, comments have been made in the light of the year ending 31st March 2025. These comments are aimed at assisting council to explore the adoption of further policies to provide reassurance that the council’s risk management, governance and internal control processes are operating effectively.

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 An excel spreadsheet was submitted for internal audit review which allowed the internal auditor to review the council's transactions for the year. However, given the limited information contained within the overall filing system, it is difficult to complete a full internal audit review. <i>Comment: Council should be aware that a cashbook is the focus for day-to-day accounting and that a reconciliation to the bank statement remains the most important control over the accounting system.</i>
<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>	<i>Evidence not supplied</i> Council should be aware that the cashbook should be reconciled on a regular basis and verification given that there are no anomalies that require further investigation.
<i>Is the arithmetic correct?</i>	No As the cashbook did not cast, the incorrect expenditure figure has been used for both the Draft Accounting Statements and the Approved Certificate of Exemption (as signed on 22 nd July 2025).
Recommendation: as council is unable to provide evidence that it had in place effective procedures to accurately record all financial transactions and failed to maintain up to date accounting records throughout the year, it is advised to consider its response to Assertion 1 of the Annual Governance Statement. The draft Annual Governance Statement as submitted for internal audit demonstrates that council has recognised this weakness.	

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 those that were adopted in 2022 and contain out of date provisions concerning procurement. Recommendation: council should seek to adopt the updated Model Standing Order (England) 2025 which contain amendments to 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.
Are Financial Regulations up to date and reviewed annually?	No Council's Financial Regulations as seen on the website were reviewed at the meeting on 2022 and are based on those produced by NALC in 2019 with updates in 2022. Recommendation: as advised by SALC in March 2025, council should seek to adopt the 2025 Model Financial Regulations, tailored to the council, which replace the 2024 version.
Has the Council properly tailored the Financial Regulations?	Yes The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council 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)

<p>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.</p>	
<p><i>Internal auditor commentary</i></p>	
<p>Evidence</p>	<p><i>Limited</i></p>
<p>Is there supporting paperwork for payments with appropriate authorisation?</p>	<p>Generally, there are limited invoices to support payments made as shown in the basic cash book. However, of the sample shown to the internal auditor, council appears to have followed the correct authorisation procedures for payments as set up under its adopted financial regulations that have been put in place to safeguard public finances. The internal auditor was able to undertake a selection of random payments and cross check them against bank statement and invoices. <i>Comment: see comment above relating to cashbook.</i></p>
<p>Where applicable, are internet banking transactions properly recorded and approved?</p>	<p>No</p>
<p>Is VAT correctly identified, recorded, and claimed within time limits?</p>	<p>No</p> <p>VAT has been identified in the cash book although the error in the casting of the cashbook related to VAT. The VAT recoverable position for the year under review is £478.33. It appears that council has not submitted a VAT claim since that which was submitted in July 2021 to cover the period ending 31st March 2021. <i>Comment: council should be aware that local authorities being exempt from VAT, are able to reclaim the purchase tax element of non-business activity when the council is not registered for VAT, provided such a claim is made within 4 years after the end of the month in which the supply was received.</i> Recommendation: council should seek to address this outstanding audit point.</p>

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?	None	There were no payments made under this power for the year under review.
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.
Recommendation: to demonstrate good practice, council should consider referencing in the cashbook 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.		

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>	There was no formal assessment of the council's risk assessment documentation for the year under review. 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.

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.

The draft Annual Governance Statement submitted for internal audit review indicates that this will be answered in the negative.	
Is there evidence that risks are being identified and managed?	<p>Yes</p> <p>Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence from the minutes that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.</p>
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?	<p>Yes</p> <p>Council had insurance in place under a Local Council Policy Schedule with Zurich Municipal. Core cover for the council's insurance policy was shown as: Public & Products Liability: £10million; Employer's Liability: £10million and Fidelity Guarantee of £25thousand.</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 28th May 2024 demonstrate that the council approved the costs of renewal of the councils insurance, following a review of the cover being provided thereby demonstrating that its cover was adequate and that all steps had been taken to mitigate and manage identified risks with appropriate insurance.</p> <p><i>Comment: Council has noted 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>
Evidence that internal controls are documented and regularly reviewed ⁴	<p>No</p> <p>Although the council carried out a formal review as to the effectiveness of the system of internal controls which was reported at its meeting of 28th May 2024, the paperwork seen on the website covers the year ending 31st March 2024.</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</p>

⁴ Accounts and Audit Regulations

	No	<p>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 Assertion 2 of the annual governance statement.</p>
<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></p>		<p>There is no evidence to suggest that the council formally reviewed the scope and effectiveness of its internal audit arrangements within the adoption of the internal control statement.</p> <p>Recommendation: council should be aware that in accordance with the Accounts and Audit Regulation 2015, it 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.</p>

<p>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</p>		
<p>Evidence <i>Verify that budget has been properly prepared and agreed</i></p>	No	<p>Internal auditor commentary</p> <p>The budget for the year 2024 - 2025 was approved at the Council meeting of 28th November 2023 but not budget papers were presented for internal audit to demonstrate the budget being set. There is no evidence to confirm that a revenue budget for the year 2025 - 2026 was set by the council during the year ending 31st March 2025. Recommendation: council should be aware that it needs to prepare and approve a budget in a timely manner before it is able to set a precept and prior to the commencement of the financial year. Council should be aware that the budget sets the legal limit of spending pre-authorised by the parish council in accordance with LGA 1972.</p>

⁵ Practitioners Guide

<p><i>Verify that the precept amount has been agreed in full Council and clearly minuted</i></p>	<p>No</p>	<p>The minutes of 28th November 2023, state that the precept to be set would be £3,000 which would be the same as that set for the previous year. Whilst the precept form for the year 2025-2026, dated 19th November 2025 shows that the precept was increased to £3,300.00 there is nothing in the minutes to suggest that this sum was agreed in full council.</p>
<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>No</p>	<p>There is no evidence that council conducted reviews covering the budget for the current year. Recommendation: Council show note the frequencies, as per its own standing order 17c, in which regular statements showing evidence of comparisons between budgeted and actual income and expenditure are to be submitted to council. The submission of such reports would form the basis of approval for virements in accordance with council's own Standing Orders.</p>
<p><i>Reserves held – general and earmarked⁶</i></p>	<p>Unclear</p>	<p>The internal auditor is unable to verify the reserves position as at year-end as the year-end bank statements were not available for internal audit review. <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><i>Additional comments: Council is reminded of the recommended key stages that should be followed 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.</i> Recommendation: as council has failed to ensure transparency in the budgetary process followed by the council, it should seek to ensure that in future years, it records, within the minutes the actual budget being set alongside the reasoning for such a budget and the precept to be set. Council should also seek to demonstrate best practice, by expanding the minutes to demonstrate the impact that</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

the precept would have on a Band D Council Tax dwelling over that set for the previous year and the reasoning behind the increase/decrease.

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.		Internal auditor commentary
Evidence		
<i>Is income properly recorded and promptly banked?</i>	Yes	Income appears to be recorded in accordance with Council's Financial Regulations. <i>Comment: the cashbook / accounting records should contain all day-to-day entries of all sums of money received.</i>
<i>Is income reported to full council?</i>	No	There was limited reporting to full council of income received by the council with limited documents supporting the income received.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £3,000 from Mid Suffolk District 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>	No	CIL receipts in the sum of £150.00 was received during the year under review although this has been incorrectly allocated in the cashbook as a Pride in your Place grant.
<i>Is CIL income reported to the council?</i>	No	There was no reporting of the CIL receipts to full council.
<i>Does unspent CIL income form part of earmarked reserves?</i>	<i>Unclear</i>	As no payment was submitted for internal audit review, it is unclear as to the balance of CIL. It is assumed that nil expenditure has been incurred this year and that the opening balance as at 1 st April 2024 stands at £8,435.38. It would therefore be reasonable to assume that the CIL balance for the year ending 31 st March 2025 should equate to £8,585.38.

⁷ Community Infrastructure Levy Regulations 2010

<i>Has an annual report been produced?</i>	No	No report has been completed.
<i>Has it been published on the authority's website?</i>	No	The annual report has not yet been uploaded onto the council's website, nor has the annual report been submitted to Mid Suffolk District Council.
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:		

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. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that a contract of employment in place.

<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval. However all payslips bar one were not able to be located within the council filing system. Recommendation: Council should ensure that there are suitable payroll arrangements in place, with supporting documentation, which would ensure the accuracy and legitimacy of payments of salaries and wages, and associated liabilities.
<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?</i>	Unable to verify	Whilst there appear to be suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, as stated, above supporting documentation has not been supplied.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Unable to verify	From the one payslip provided for internal audit, the payroll function for the year under review appears to be operated in accordance with HM Revenue and Customs guidelines.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Unclear	It is unclear as to whether council is aware of its pension responsibilities, but no member of staff was enrolled with the council's pension provider.
<i>Have pension re-declaration duties been carried out</i>	No	It is unclear as to when the last re-declaration of compliance under the Pensions Act 2008 was submitted to The Pensions Regulator. <i>Comment: Council should be aware that under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called 'automatic enrolment', and details can be found at: www.thepensionsregulator.gov.uk</i> <i>The link below will also provide further details of Council's obligations as an employer: https://www.thepensionsregulator.gov.uk/en/employers</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Unable to verify	Given the limited files available for internal audit review, the internal auditor is unable to verify that there is a satisfactory expense system in place and that all expenses claimed are approved by full council with supporting paperwork in place.

⁸ The Pension Regulator – [website click here](http://www.thepensionsregulator.gov.uk)

<p>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.</p>		
Evidence	Internal auditor commentary	
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as viewed on the council's website, covers the year 2023-2024 and shows a total value of £1,477.18. It is this sum that has been used for the Draft Accounting Statements for the year ending 31 st March 2025. However, during the year council purchased a vehicle activated sign in the sum of £2040 (rounded and net of VAT). This sum should be added to the register and should be used for Box 9 of the Accounting Statements for the year ending 31 st March 2025.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	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.
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	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>	No	The values submitted on the Draft Annual Governance and Accountability Return for Internal Audit show an asset value of £1,477. Recommendation: as noted above this figure should be amended to take into account acquisitions for the year under review.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
Additional comments:		

⁹ Practitioners Guide

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>	No <i>Comment: council should understand 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>	No The internal auditor is unable to confirm that the bank balances at 31 st March 2025 agree with the year-end bank statements as the year end bank statements were not available to view during the internal audit review. It is noted that Box 8 of the Accounting Statements (Total value of cash and short-term investments) has been left blank as the clerk has confirmed that she has yet to see sight of the year-end bank statements. Recommendation: as the council produces its accounts on a receipts and payments basis, the figure in Box 8 (of the Accounting Statements) will be the same as that shown in Box 7. Council will be unable to compete its accounts until the figures on the Accounting Statements are verified and accurately reflect the council's position as at 31st March 2025.
<i>Is there regular reporting of bank balances at Council meetings?</i>	No Balances across the Council's accounts were not reported on an infrequent basis. Recommendation: in accordance with council's financial regulations, at least once a quarter, a member other than the Chair (or a cheque signatory) should be appointed to verify the bank statements versus the reconciliation and this should be reported to the council once undertaken.
<i>Additional comments:</i>	

Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	No	Whilst the accounts are produced on a receipts and payments basis limited evidence was produced to underpin the figures recorded on the Accounting Statements.
<i>Financial trail from records to presented accounts</i>	No	Given the limited information available for review, the internal auditor is unable to confirm that there is a clear financial trail from records to presented accounts.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	<i>Yes but amendments needed</i>	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 2. The Accounting Statements were completed and had been approved and signed off at the meeting of have still to be approved but the Exemption Certificate (which requires amending) was signed off on 22 nd July 2025 which is outside of the period specified in legislation (Section 1 and 2 must be approved before 1 July 2025). Recommendation: council should recognise that it has failed to comply with Proper Practices in the completion of Sections 1 and 2 of the AGAR and the Exemption Certificate and has not published the information required by 1st July 2025 nor has it approved the AGAR by 1st July 2025. As previously mentioned, council is advised to review its response to Assertion 1 of the Annual Governance Statement. Furthermore, council is advised to revisit the approved and signed Certificate of Exemption dated 22 nd July 2025 as the expenditure declared does not reflect that which has been incurred by the council. The Draft Accounting Statements do not cast and Box 7 and Box 8 for the year ending 31 st March 2025 must be the same if the accounts are produced on a receipts and payments basis.

¹⁰ Annual Governance & Accountability Return (AGAR)

<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Yes</p>	<p>The Parish Council did not have gross income and expenditure exceeding £25,000 during 2023 - 2024 and was able to declare itself exempt from a limited assurance review for the year ending 31st March 2024. The minutes of 28th May 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.</p>
<p><i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i></p>	<p>Yes</p>	<p>Council correctly provided for the exercise for the public inspection of the accounts during Summer 2024. The dates set were from 1st July until 9th August 2024. <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></p> <p>Council should note that as it has failed to provide for the period of public rights for the year ending 31st March 2025 as it has not yet published the notice of public rights. In accordance with the Accounts and Audit Regulations 2015, the latest start is the 1st day of July as the dates specified under the Regulations must include the first ten (10) working days of July 2025. <i>Comment: council should note that the public rights notice states that the date of placing of the notice must be not less than 1 day before the date upon which the period begin and the inspection period between must be 30 working days inclusive and must include the first 10 working days of July. Council is advised to answer in the negative to Assertion 4 in the negative for the year ending 31st March 2026.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>Partially met</p>	<p>The Council has partially 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 31st March 2024 as not all of the following were published on the council's website: those in bold were missing:</p>

¹¹ Accounts and Audit Regulations 2015

		<ul style="list-style-type: none"> • Certificate of Exemption • Annual Internal Audit Report • 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 • Analysis of variances • Bank reconciliation • Notice of the period for the exercise of public rights and other information required by Regulation 15 (2) Accounts and Audit Regulations 2015.
Additional comments:		

<p>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.</p>		
<p>Evidence <i>Internal auditor commentary</i></p>		
<p>Has the Council considered the previous internal audit report?</p>	<p>No</p>	<p>The Internal Audit Report for the period ending 31st March 2024 was not formally considered by full Council.</p>
<p>Has appropriate action been taken regarding the recommendations raised?</p>	<p>Work required</p>	<p>The formal 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"> 1. Adopt Financial Regulations dated 2024 2. Review periods for the review of the submission of VAT 3. Evidence of annual review of risk assessments 4. Evidence of compliance with the Pension Regulator 5. Internal Audit Report should be received prior to the approval of the Annual Governance Statement 6. Publication in accordance with the Accounts and Audit Regulations

		<p>7. Procurement of an Annual Internal Audit</p> <p>8. Annual Meeting of the Council to be held in accordance with legislation</p> <p>9. Compliance with GDPR requirements</p> <p><i>Comment: in order to warrant a positive response to Assertion 7 of the Annual Governance Statement, council should seek to address the matters brought to its attention by internal (and external) audit. Council has acknowledged these weaknesses, and the Draft Annual Governance Statement demonstrates that council is proposing to answer in the negative to this statement.</i></p>
<p><i>Has the Council confirmed the appointment of an internal auditor?</i></p>	<p><i>Unclear</i></p>	<p>The internal auditor is unable to confirm that the appointment of the person to act as the parish council's independent internal auditor for the year 2024 – 2025 has been approved by full council.</p> <p><i>Comment: Council does however appear to have understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i></p> <p>The clerk to the council has stated that they are unable to locate the letter of engagement.</p> <p><i>Comment: by approving the letter of engagement, Council would 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</p> <p>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>

<i>Has the Council considered the previous external audit report?</i> ¹²	N/A	The council was able to declare itself exempt from a limited assurance review for the year ending 31 st March 2024.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	
Additional comments:		

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		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Parish Council on 28 th May 2024. The election of Chair was not the first item in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	Yes	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. In accordance with legislation, looseleaf minutes have agenda items that are consecutively numbered.
<i>Is there a list of members' interests held?</i>	Yes	A copy of the members' interests for the serving councillors was seen on the district council's website. There is a no 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.

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.

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

<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Work required</p>	<p>Council is aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities and publishes certain datasets on its website in accordance with the required timescales. Recommendation: council should seek to demonstrate compliance during the coming year and publish the datasets in accordance with the code for smaller authorities.</p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. As defined under the Freedom of Information Act 2000, council has not adopted and published a Publication Scheme.</i></p>	<p>Yes Work required</p>	<p>The Council is registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. As defined under the Freedom of Information Act 2000, council has not adopted and published a Publication Scheme. Recommendation: council should seek to ensure that it adopts such a scheme which should be fully tailored to the council to accurately reflect council's activities undertaken and the manner in which information will be made available.</p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	<p>No</p>	<p>Council has still to show compliance with the regulations. Recommendation: council should seek to address this outstanding audit point.</p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i></p>	<p>Yes</p>	<p>Council has published 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.</p>
<p><i>Does the council have official email addresses for correspondence?¹⁷</i></p>	<p>No</p>	<p>Whilst council uses a Gmail account for official council business, it does not have a dedicated domain name which supports a secure and digitally managed email system. Recommendation: Council should note the requirement that every authority should have an email account that belongs to the council and to which the council has access. It is further advised that, to assist</p>

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

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			with GDPR, clerks should give official email accounts to all of their councillors which should only be used for official council business.
<i>Is there evidence that electronic files are backed up?</i>	No		Given that council has not been able to provide evidence of the files that were held on the council owned laptop, it is recommended that council seeks to ensure that its day-to-day records are subject to regular back-ups to a cloud-based secure system.
<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.
Additional comments:			

Signed: Victoria S Waples

Date of Internal Audit Review: 20.07.25 & 23.07.25 & 01.08.25

Date of Internal Audit Report: 04.08.25

On behalf of Suffolk Association of Local Councils