

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

Clerk	Maggie Burt
RFO (if different)	
Chairperson	Sarah Gregory
Precept	£35,259
Income	£38,494
Expenditure	£37,470
General reserves	£20,765
Earmarked reserves	£20,109
Audit type	Annual - non-exempt authority
Auditor name	Kim Puttock

Introduction

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

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

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2025/26 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – Financial Regulation and Standing Orders The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
Evidence	<i>Internal auditor commentary</i>	
Have Standing Orders been adopted, up to date and reviewed annually?	<i>Partially</i>	<p>Council reviewed its Standing Orders at a meeting of full council held on 22 May 2025 (min ref: 742), however Council’s Standing Orders, are not based on the latest model published by the National Association of Local Councils (NALC), April 2025.</p> <p>RECOMMENDATION: At the meeting of Full Council, it was agreed that the amount in Section 18(a)(v) would be £30,000, however, upon reviewing the version published, the amount shown is £25,000. The published version should be updated to reflect the decision of Full Council on 22 May 2025.</p> <p><i>COMMENT: Council might wish to note that NALC have updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with the current Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. NALC have also changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project</i></p>
Are Financial Regulations up to date and reviewed annually?	Yes	<p>Financial Regulations, as seen on the Council’s website were reviewed at the full council meeting on 3 September 2025 (min ref: 776) and are based on the NALC Model Financial Regulations published in March 2025.</p> <p><i>COMMENT: Council might wish to review the NALC Advice Note – Procurement, 3 February 2026 link to view the advice note and ensure any applicable revisions are incorporated at the next annual review.</i></p>

		<i>COMMENT: Council might wish to reinstate the bold typeface to sections 1.6, 4.1, 4.7, 4.8, 11.1 and 11.2 as per the NALC Model Financial Regulations as the bold text indicates legal requirements, which a council cannot change or suspend.</i>
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 (financial administration), the Council has appointed a person (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. Council's Financial Regulation 1.5 confirms that the Clerk is so appointed.
<i>Additional comments:</i>		

¹ Section 151 Local Government Act 1972

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		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2025/26 was approved at the full council meeting of 8 January 2025 (min ref: 707). Although there is no clear confirmation within the minutes as to the final budget figure being set, budget papers as seen on the website provide details on the budget, precept and implications for Band D Council Tax. <i>COMMENT: Council should consider including within the body of the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.</i>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept for the year 2025/26 was discussed and approved by full council at the meeting of 8 January 2025 (min ref: 707) and set at £35,259. <i>COMMENT: In accordance with best practice, council might wish to record in the minutes the precept being set and the impact that this would have on a Band D Dwelling in monetary as well as percentage terms.</i>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	The minutes evidence that Council carried out regular reviews covering the budget for the current year with a review of income and expenditure against budget along with forecasts for the remainder of the year. <i>COMMENT: Council in accordance with its own standing order 17c produces regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i>
<i>Reserves held – general and earmarked²</i>	Yes	The Council, as at year-end, had overall reserves totalling £41,923.21 of which £20,741.93 were general and £21,181.28 were earmarked reserves (which includes the restricted reserve (CIL)).

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

	<p>The Council, as at year-end, had Earmarked Reserves totalling £21,181.28 with the balance being General Reserves of £20,741.93 with overall reserves standing at 41,923.21</p> <p><i>COMMENT: Council has followed 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.</i></p> <p><i>COMMENT: Council's adopted Reserve Policy provides clarity on the reasoning behind the holding of reserves and the allocation of its reserves held regarding the setting of the budget for the next financial year. The adopted policy shows an intended level of General Reserves to be maintained to ensure that the council achieves the recommended levels. The policy confirms that even at times when extreme pressure is put on the council's finances the council will maintain a general reserves of not less than 50% and more than 80% of its precept.</i></p>
<p>Additional comments: Council has shown good practice by ensuring the recommended key stages as to the budgetary process are followed for the year and has ensured that progress against the budget is reviewed regularly throughout the year.</p>	

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		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses an excel spreadsheet to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the parish council are as accurate as reasonably practicable. It is confirmed that these are well maintained and up to date.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i> (under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)	Yes	Council’s gross income and expenditure level is below the threshold of £200,000 and has been for three continuous years. Council’s operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis. Council follows Proper Practices in ensuring that its accounting procedure gives an accurate presentation of the authority’s true financial position and provides good evidence to support the council’s underlying statements which are verified by council. The Responsible Financial Officer (RFO) has ensured that there are clear financial management reports submitted to the council on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out and the functionality of the cashbook was found to be in order. <i>COMMENT: The RFO has shown best practise by ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>
Additional comments:		

<p>Section 4 – 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>Evidence</p>	<p><i>Internal auditor commentary</i></p>
<p>Is there supporting paperwork for payments with appropriate authorisation?</p>	<p>Yes</p> <p>A selection of random payments were cross-checked against the minutes, cashbook, invoices and bank statements.</p> <p>At each full council meeting a list of payments is presented to ensure formal approval of expenditure. Upon reviewing the minutes, it was found that payment schedules for May 2025 (min ref: 741), June 2025 (min ref: 757), July 2025 (min ref: 770) and December 2025 (min ref: 799) were not provided as part of the agenda but were approved by council at the respective meetings.</p> <p>RECOMMENDATION: Council should ensure they have sight of all invoices prior to approving as per their own Financial Regulations, 7.7.</p> <p><i>COMMENT: Whilst the payment schedules are seen as submitted with the agenda, to provide clarity to the reader as to the council’s financial transactions, the schedule of authorised payments should be included in the minutes or as an appendix to the minutes.</i></p> <p>For the year under review, there were no tenders or contracts over £30,000 including VAT, for which the council needed to comply with the requirements of the Procurement Legislation regarding the publication of invitations and notices. Nor were there any contracts estimated to exceed £60,000 including VAT, for which the Clerk needed to advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation.</p>

Where applicable, are internet banking transactions properly recorded and approved?	Yes	<p>Internet banking is operated in accordance with the Council’s own Financial Regulations and is used for the settlement of the Council’s expenditure. The Council operates with a complex mandate which follows a dual authorisation process.</p> <p><i>COMMENT: There is clear evidence of good practice - payments are checked by two councillors against invoices and online authorisation is then completed demonstrating the council is working in line with its own Financial Regulations.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified in the cash book.</p> <p>The reclaim period within the documents reviewed by the internal auditor was unclear with the VAT Claim file showing the reclaim period as 1 February 2025 to 31 January 2026 and the CPC – Monthly Finance Report – Mar 26 document showing the reclaim up to and including 31 December 2025.</p> <p>RECOMMENDATION: Council should ensure the correct claim period is recorded to avoid double claiming of VAT in the next VAT claim period.</p> <p>The amount reclaimed for the period covering 1 February 2025 up to and including 31 January 2026 (which spans 2 financial years) is in the sum of £1,905.75. The amount claimed and received has been verified in the cashbook and bank statements.</p> <p>RECOMMENDATION: Council may wish to review their VAT reclaim procedures to bring them in line with council’s own Financial Regulations, 13.6 which states that claims shall be made quarterly where the claim exceeds £500 and at least annually at the end of the financial year.</p> <p>The 2025/2026 VAT reclaim amount is £1,574.26 with £1,363.92 falling within the 2025/26 financial year claimed at 31 December 2025 with £210.34 which is still to be claimed for the 2025/26 financial year (Jan to Mar).</p>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ³	N/A	Council has not adopted the General Power of Competence.

³ Localism Act

<p>Are payments under s.137⁴ separately recorded, minuted and is there evidence of direct benefit to electorate?</p>	<p>Yes</p>	<p>Payments identified as being made under this power for the year under review totalled £100 (min ref: 802) and were separately recorded and were of a direct benefit of the electorate.</p> <p>RECOMMENDATION: Following a review of the payments made and understanding that s137 is a power of “last resort”, the power to be used for the expenditure incurred in providing assistance for the Citizens Advice Bureau should be LGA 1972 s142.</p> <p><i>COMMENT: council is reminded that s137 is a capped power and payments should be within statutory limits and deemed to be of benefit to those living in the area.</i></p>
<p>Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?</p>	<p>Yes</p>	<p>The council has two Public Works Board Loans:</p> <ol style="list-style-type: none"> 1. PW487910 - Interest repayments are to be made twice yearly on the nearest working day to 24th June and 24th December. Balance outstanding as at 31st March 2026 was seen and verified as £23,527.23. 2. PW498630 - Interest repayments are to be made twice yearly on the nearest working day to 24th June and 24th December. Balance outstanding as at 31st March 2026 was £13,669.39. <p>Half yearly payments of £6,575.92 were made on 24th June and 24th December 2025.</p>
<p>Additional comments:</p>		

⁴ Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £11.10 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Section 5 – Income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council’s Financial Regulations. A number of items of income were cross checked against cashbook and bank statement and found to be in order and recorded in accordance with Proper Practices. In accordance with proper practices, the RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the financial reports submitted to full council in accordance with council’s financial regulations
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Yes	Council received precept in the sum of £35,529 from Mid Suffolk District Council for the period under review as reported to full council within its financial reports at its meetings in (May and November 2025). Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority 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?⁵</i>	Yes	During the year under review no CIL income or expenditure was evidenced. The RFO has created an Earmarked Reserve for retained CIL balances.
<i>Is CIL income reported to the council?</i>	N/A	No income or expenditure was evidenced during the period under review.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	No income or expenditure was evidenced during the period under review, and the Earmarked Reserve balance stands at £5,221.09.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement for 2025/26 is still to be presented to full council for approval although a copy was submitted for internal audit review.
<i>Has it been published on the authority’s website?</i>	No	As the Annual CIL Statement for 2025/26 is still to be presented to full council there is no information published on the council website.
Additional comments:		

⁵ Community Infrastructure Levy Regulations 2010

Section 6 – 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 7 – Bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. There is regular reporting of bank balances within the financial reports submitted to full council. <i>COMMENT: Council has understood that the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 st March 2026) the balance across the council's accounts stood at £42,946.46 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council. The minutes of full council meetings, demonstrate that a review of the bank reconciliation versus the bank statements has been undertaken. <i>COMMENT: This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives. The bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows and therefore aids decision-making</i>

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 31st March 2026. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full council for approval and payment is made via internet banking in accordance with Council's own Financial Regulations.
<i>Are all employees paid at least the minimum wage?</i>	Yes	Employee is paid above the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁶</i>	Yes	Council is aware of its pension responsibilities. and the member of staff is not enrolled into a pension scheme provided by the employer.
<i>Have pension re-declaration duties been carried out?</i>	Yes	The council completed its re-declaration of compliance with The Pensions Regulator on 21 November 2025. <i>COMMENT: Council may wish to consider formally recording the redeclaration within the full council meeting minutes to create a formal record of the redeclaration</i>

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

<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.
<i>Additional comments:</i>		

Section 9 – Year End procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis and all found to be in good order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review. There is a full audit trail from records to presented accounts.
<i>Has the appropriate end of year AGAR⁷ documents been completed?</i>	Yes	The Council is a smaller authority with gross income and expenditure exceeding £25,000, it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. The Accounting Statements were submitted in draft form for the internal audit review, and it is assumed that the figures submitted will be those that are replicated in their entirety onto the AGAR.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review for the year ending 31st March 2025.
<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>	Yes	During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2024- 2025, the Council correctly provided for the exercise of elector’s rights during Summer 2025. The RFO had set the dates for the inspection of the Council’s accounts and associated documents as 3 June 2025 to 14 July 2025 with the date of the notice being 2 June 2025. <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</i>

⁷ Annual Governance & Accountability Return (AGAR)

		<p><i>inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?⁸</i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council did comply with the requirements of the Accounts and Audit Regulations 2015 for the year ending 31st March 2025 as it published the following on its website:</p> <ul style="list-style-type: none"> • Annual Internal Audit • Section 1 - Annual Governance Statement • Section 2 - Accounting Statements • Section 3 - The External Auditor Report and Certificate • Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015.
<p><i>Additional comments:</i></p>		

⁸ Accounts and Audit Regulations 2015

Section 10 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	<p>Whilst there was no formal assessment of the council’s risk assessment documentation for the year under review, the documentation seen and adopted by council at its meeting in March 2025 details in general terms the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks.</p> <p>RECOMMENDATION: As council is unable to demonstrate that, in accordance with Proper Practices, the risks are being annually reviewed, assessed and appropriate measures are in place to protect public money, it should consider its response to Assertion 5 on the Annual Governance Statements for the year ending 31st March 2026.</p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>Council is aware that risk assessment needs to focus on the safety of the parish council's assets, and particularly its money. There is evidence that overall, the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to avoid financial or reputational consequences.</p> <p><i>COMMENT: Council has in place monitoring documents which identify the risks involved and the potential for improvements to its arrangements to protect public money. It provides the opportunity for reviews of operational as well as financial and governance reviews by members to ensure that it has mitigation measures in place to address the risks associated with the council’s day to day operations.</i></p>

<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></p>	<p>Yes</p>	<p>Council has insurance in place under a specialist policy for local councils with Zurich Municipal which shows core cover for the following:</p> <p>Public Liability: £12,000,000 Fidelity Guarantee of £250,000 Employers Liability: £10,000,000</p> <p>At renewal, Council entered into a long-term agreement (expiry 1 October 2026) with Zurich Municipal.</p> <p>The Council's insurance cover was automatically renewed as part of the long-term agreement; however, there are no minutes to show the cover was reviewed and considered appropriate.</p> <p>RECOMMENDATION: That the council reviews its insurance policy on an annual basis, even though on a long-term agreement to ensure the policy is up to date and provides appropriate cover.</p> <p><i>COMMENT: Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April.</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁹</i></p>	<p>No</p>	<p>The internal auditor was unable to find details of the formal review by the council as to the effectiveness of the system of internal controls despite this being referenced in the minutes of the full council meeting on 8 July 2025 (min ref: 760g)</p> <p>RECOMMENDATION: The adoption of an Internal Control Statement (model templates are available from SALC) would provide the basis for council to demonstrate that, under the Accounts and Audit Regulations 2015, it has in place safe and efficient arrangements to safeguard public money which are annually reviewed and assessed for their effectiveness. Such an assertion would be used to inform the council's preparation of its annual governance statement.</p>

⁹ Accounts and Audit Regulations

<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment¹⁰</i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements at the full council meeting on 8 July 2025 (min ref: 758).</p> <p><i>COMMENT: Council is aware that in accordance with the Accounts and Audit Regulation 2015, the parish council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</i></p>
<p>Additional comments:</p>		

¹⁰ Practitioners Guide

Section 11 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?¹¹</i>	Yes	The draft Asset Register for the year under review was submitted for the internal audit review and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. The declared value for all assets at year-end (31.03.2026) is £18,974.98. For comparison, the declared value of the asset register as at 31.03.2025 was £19,938.99.
<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 Practitioner's Guide 2025 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.
<i>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>	Yes	The draft Asset Register shows a declared value for all assets at year-end (31.03.2026) as £18,974.98. The draft Annual Governance and Accountability Return (AGAR) for the internal audit review shows an asset value of £19,156 which does not agree with that detailed in the draft Asset Register submitted for internal audit review.

¹¹ Practitioners Guide

		<p>RECOMMENDATION: Before the Annual Governance and Accountability Return (AGAR) is approved by council it is recommended that the figures on Section 2 line 9 be reviewed for both financial years.</p> <p><i>COMMENT: When reviewing the Asset Register council may wish to provide an explanation in the minutes to ratify the difference in value between the value of assets at year ending 31.03.2025 and 31.03.2026.</i></p>
<p><i>Cross checking of insurance cover</i></p>	<p>Yes</p>	<p>Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule.</p>
<p>Additional comments:</p>		

Section 12 – Assertion 10		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners’ Guide 2025.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?¹²</i>	Yes	The Council is correctly registered with the Information Commissioner’s Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	Yes	It is noted that Council last reviewed its Model Publication Scheme which details the type of information the Council holds and how it will make it available to the public at the full council meeting on 12 November 2025 (min ref: 788(vi)).
<i>Is the Council compliant with the General Data Protection Regulation requirements?¹³</i> Councils must: <ul style="list-style-type: none"> • <i>Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018</i> • <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i> • <i>Recognise their role as both data controller and data processor</i> 	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements, evidenced below and has adopted a number of GDPR Policies during the year that provides clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. The following are in place and were reviewed at the full council meeting on 12 November 2025: <ul style="list-style-type: none"> • Data Protection Policy (min ref: 788(i)) • IT Policy (min ref: 788 (ii)) • Information Security Incident Policy and Procedure (min ref: 788 (iii)) • Privacy Notice for Website (min ref: 788 (iv)) • Privacy Statement (min ref: 788 (v)) • Publication Scheme (min ref: 788 (vi)) • Record Management & Document Retention Policy (min ref: 788 (vii)) • Subject Access Request Policy (min ref: 788 (viii)) • Personal Data Audit Impact Statement (min ref: 788 (ix))

¹² Data Protection Act 2018

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

<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Yes</p>	<p>Whilst the Local Government Transparency Code 2015 applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,000, Smaller Authorities with total turnover or expenditure greater than £25,000 but under £200,000, should as best practice comply with the Local Government Transparency Code 2015; the government believes that in principle all data held and managed by local authorities should be made available to the public unless there are specific sensitivities to doing so, as per the Practitioners' Guide 5.127.</p> <p><i>COMMENT: Council might wish to review its provisions and consider whether it might be able to work towards ensuring compliancy with the requirements of publishing the following data on its website in accordance with the required timescales:</i></p> <p><i>Publish quarterly:</i></p> <ul style="list-style-type: none"> • <i>Individual items of expenditure that exceed £500 (currently published on an annual basis);</i> • <i>Government Procurement Card transactions;</i> • <i>Invitations to tender for contracts over £5,000;</i> • <i>Details of contracts that exceed £5,000.</i> <p><i>Publish annually:</i></p> <ul style="list-style-type: none"> • <i>Details of all land and building assets;</i> • <i>Grants to Voluntary, Community and Social Enterprise Organisations;</i> • <i>Organisational Chart</i>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p>	<p>Yes</p>	<p>Council reviewed and adopted the website accessibility statement at the full council meeting on 27 October 2020 and relates to WCAG 2.1AA.</p> <p>WCAG2.2AA is the latest standard that provides guidelines / recommendations for making web content accessible to people with disabilities, covering blindness, low vision, hearing loss, cognitive limitations, and more, with a key focus on mobile accessibility, low-vision needs, and clearer focus indicators than its predecessors. Its main focus is ensuring that websites and apps are “perceivable, operable,</p>

¹⁴ Website Accessibility Regulations 2018

		<p>understandable, and robust (POUR) for all users, including those with situational disabilities”.</p> <p>RECOMMENDATION: That the council accessibility statement be updated to meet the legal requirements of WCAG 2.2AA under the Public Sector Bodies Accessibility Regulations 2018. The Government digital accessibility webpage provides detailed guidance.</p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>No</p>	<p>The website was last tested against WCAG2.2AA in November 2024.</p> <p><i>COMMENT: Council should ensure the council website is tested at least annually to ensure compliance with the latest requirements.</i></p>
<p><i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?¹⁵ For example clerk@abccouncil.gov.uk or clerk@abccouncil.org.uk</i></p>	<p>Yes</p>	<p>Council operates with a .gov.uk email address for the Clerk.</p> <p>Best practice is for all council (clerk, councillors, other staff) to have matching email: Cllr.bobsmith@abcparrishcouncil.gov.uk or cldr.bobsmith@abcparrishcouncil.org.uk.</p> <p>If not, free email services are permitted currently, such as, cldrbobsmith@gmail.com but NOT personal email addresses e.g. bobsmith1968@yahoo.co.uk</p> <p><i>COMMENT: Authority-owned email accounts ensures that sensitive information is handled in a controlled environment with appropriate security measures. This aligns with GDPR principles such as data minimisation, integrity and confidentiality.</i></p> <p><i>COMMENT: The Clerk’s email address on the Members of Staff page on the website is clerk.coddenhampc@gmail.com. Council is advised to change this to the gov.uk email address listed on the Contact Us page of the website.</i></p>

¹⁵ Practitioners Guide

<i>Does the council have an IT policy that is tailored to the council?</i> ¹⁶	Yes	The council has adopted an IT policy that has been personalised for the specific use of the council. This policy was approved at the full council meeting of 12 November 2025 (min ref: 788(ii)).
<i>Additional comments:</i>		

¹⁶ Practitioners Guide

Section 13 – Internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 st March 2025 has been considered and approved at the meeting of full council on 8 July 2025 (min ref: 758(i)).
<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Partially</i>	<p>The formal recommendations raised within the internal audit report for the year ending 31st March 2025 were as follows: and those in bold are outstanding:</p> <ul style="list-style-type: none"> • council should note that revisions to the Model Financial Regulations were published on 13th March 2025, and these should be reviewed and adopted to the council for adoption at the earliest opportunity. • in accordance with best practice, council should record, in the minutes, the impact the precept being set would have on a Band D Dwelling in monetary as well as percentage terms • council is advised to consider the response from the External Auditor (see Section 13) and answer in the negative to Assertion 4 on the Annual Governance Statement for the year ending 31st March 2025. • Council should seek to review the information it holds under the scheme and ensure that the scheme is fully tailored to the parish council and available to view on its website. NALC Legal Topic Note 37 provides further clarification. • council should note the new Assertion in the Annual Governance Statement (effective April 2025) which, to warrant a positive response, requires the council to have a generic email account hosted on an authority owned domain

		<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.</i>
<i>Has the Council confirmed the appointment of an internal auditor?¹⁷</i>	Yes	SALC were appointed as the Council's internal auditors for the year ending 31 st March 2025 at the full council meeting on 8 July 2025 (min ref: 758(ii)).
<i>Has the letter of engagement been approved by full council?¹⁸</i>	Yes	The letter of engagement was approved by full council at the meeting on 18 March 2026.
<i>Additional comments:</i>		

¹⁷ Practitioners' Guide

¹⁸ Practitioners' Guide

Section 14 – External audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?¹⁹</i>	Yes	At the meeting of full council on 12 November 2025, Council considered the report from the External Auditor for the year ending 31 st March 2024. The Notice of Conclusion was seen on the Council’s website.
<i>Has appropriate action been taken regarding the comments raised?</i>	Yes	The External Auditor had highlighted the following error: <ul style="list-style-type: none"> • The AGAR was not accurately completed before submission for review. The figure in Section 2, Box 10 of prior year is incorrect due to typographical error and should read £58,867
Additional comments:		

¹⁹ Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

Section 15 – 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> ²⁰	Yes	The Annual Meeting of the Parish Council was held on 22 May 2025 and the first item on the agenda was the election of a Chair.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ²¹	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes. <i>COMMENT: Draft meeting minutes are published on the website for January 2026. These were approved at the March 2026 meeting (min ref: 811) and the approved version should be published.</i>
<i>Is there a list of members' interests held?</i>	Yes	Evidence of the Register of Interests for all current Parish Councillors was seen on the District Authority's website via a direct link from the Council's own website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	No	Council has no declared trustee responsibility. <i>COMMENT: Council may wish to remove section 17 in the council's own Financial Regulations that relates to the Council being a sole managing trustee of a charitable body.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	It is not known if the council backs up electronic files and it is therefore assumed that the council uses a system whereby a back-up of the council's data is taken and stored appropriately.

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

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

<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 structure
Additional comments:		

Signed: *Kim Puttock*

Date of Internal Audit review: 18 and 19 April 2026
On behalf of Suffolk Association of Local Councils

Date of Internal Audit Report: 23 April 2026