Internal Audit Report for Haughley Parish Council

for the period ending 31 March 2026

Clerk	Kathleen Peacock
RFO (if different)	-
Chairperson	Councillor Gerald Brown
Precept	£60,300.00
Income	£91,055.16 (amended to remove refunds)
Expenditure	£71,480.60 (amended to include refunds)
General reserves	£56,3615.11
Earmarked reserves	£311,921.35
Audit type	Annual – Non-Exempt Authority
Auditor name	**Victoria Waples**

Introduction

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

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

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

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 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		*Internal auditor commentary*
Have Standing Orders been adopted, up to date and reviewed annually?	*Yes*	Council's Standing Orders, as reviewed and adopted in March 2026, are based on the Model Standing Orders published by the National Association of Local Councils (NALC), in March 2025.
Are Financial Regulations up to date and reviewed annually?	*Yes*	Financial Regulations, as seen on the Council's website were reviewed and adopted in March 2026 and are based on the NALC Model Financial Regulations published in March 2025. *Comment: council might wish to review the NALC Advice Note – Procurement, 3 February 2026 and ensure any applicable revisions are incorporated at the next annual review.*
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 minutes of 20th May 2025, confirm that Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority. It is also noted that Council's own Financial Regulation 1.5 confirms that the Clerk is so appointed. *Comment: where the postholder changes during the year, council is advised that there is evidence of the ratification of the appointment of a new Clerk with confirmation that an officer has been appointed to be responsible for the financial administration of the authority.*
Additional comments:		

[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
Verify that budget has been properly prepared and agreed	*Yes*	The budget for the year 2025 - 2026 was approved at the Council meeting of 17th December 2024. There is no mention in the minutes of the budget being set but from paperwork seen it was set at £65,451.49. The budget for the year 2026 - 2027 was approved at the council meeting of 15th December 2025. Again, there is no mention in the minutes of the budget being set. *Comment: to ensure transparency in the budgetary process followed by the council, it should evidence, within the minutes, the actual budget being set alongside the reasoning for such a budget.*
Verify that the precept amount has been agreed in full Council and clearly minuted	*Yes*	The minutes of 21st January 2025 confirmed that the precept to be levied for the year 2025 - 2026 would be £60,300. Similarly, the precept for the year 2026 - 2027 was discussed and approved at the meeting of 20th January 2026 and set at £61,805. The minutes do not demonstrate the impact this increase would have on a Council Tax Band D over that set for the previous year but do state that this would be an increase of 3% to achieve the proposed 2026 budget. **Recommendation: 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 percentage and monetary terms.**
Regular reporting of expenditure and variances from budget	*No*	Whilst bank balances are reported at each meeting, there is no formal submission of reports showing aggregate receipts and payments and variance against budget. **Recommendation: In accordance with councils adopted Standing Orders 17.C, council should look to report the budget against expenditure on a quarterly basis and evidence this within its minutes.**

Reserves held – general and earmarked[2]	*Yes*	The Council, as at year-end, had overall reserves of £368,236.46 broken down as General Reserves totalling £56,315.11 and Earmarked Reserves of £311,921.35 (CIL restricted). *Comment: Council is aware that guidance as issued by Proper Practices 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 seek to adopt a level to ensure that there are sufficient sums to deal with unforeseen spending pressures within a particular financial year.* Council's adopted Reserves Policy provides clarity on the reasoning behind the holding of and intended level of general reserves to be maintained to ensure that the council achieves the recommended levels. The adopted policy states that even at times when extreme pressure is put on the Council's finances the Council must keep a minimum balance sufficient to always pay one month's worth of contractual obligations to staff and contractors in General Reserves. *Comment: given the level of general reserves currently held by the council, Council might wish to review its ultimate target for the Reserve Fund to be more in line with the Council's overall objectives ensuring that there is sufficient cushioning to take into account situations that may lead to a loss of revenue as well as unplaced increases in running costs.* 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).
Additional comments:		

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.	

[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

Evidence		*Internal auditor commentary*
Is the ledger maintained and up to date?	*Yes*	Although Council uses the Scribe Accounting System for its day-to-day accounting, excel spreadsheets were submitted for internal audit review which have been used to report on a receipts and payments basis. The spreadsheets are well maintained and allow the RFO to ensure that there is an accurate presentation of the authority's true financial position by ensuring that there is detailed focus on the balance of economic benefits under the council's control, rather than just its bank balance.
Is the ledger on the correct basis in relation to the gross income/expenditure?	*Yes*	Council's gross income and expenditure level is below the threshold of £200,000. 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 continue to report on a receipts and payments basis for this year. *Comment:* ***there is an outstanding audit recommendation from the external auditor in relation to the restating of accounts for 2024-25 and 2023-24***
Is the cash book up to date and regularly verified?	*Yes*	The cashbook is reconciled on a regular basis.
Is the arithmetic correct?	*Yes*	A number of spot checks were conducted, and the functionality of the spreadsheets was found to be in order.
Additional comments:		

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.

Evidence		*Internal auditor commentary*
Is there supporting paperwork for payments with appropriate authorisation?	*Yes*	A selection of random payments were cross checked minutes, cash book, bank statement and invoices and whilst all were found to be recorded / authorised in accordance with Proper Practices, there was missing paperwork to submit the payments being made. **Recommendation: Council should ensure that there is an auditable evidence trial for the settlement of all purchases / orders raised**. It is however confirmed that a financial statement is submitted at each relevant meeting detailing the payments to be made, with reference made within the body of the minutes as to the payments being authorised. It is confirmed that council's internal systems ensures that council complies with Financial Regulation 6.10 and the RFO provides access to payments made / to be made to those with the release of payments. It is confirmed that council is operating within Financial Regulations 7.1 through to 7.12.
Where applicable, are internet banking transactions properly recorded and approved?	*Yes*	Internet banking is operated in accordance with the Council's own adopted Banking Policy as adopted in March 2023 and reviewed in March 2026 and is used for the settlement of the Council's expenditure. Council's internal controls detail the procedure to be followed for the making of electronic payments in accordance with council's own Financial Regulations. Council operates with a dual authorisation system whereby the Clerk is a signatory and one of the authorised signatories are required to release payments at the bank
Is VAT correctly identified, recorded, and claimed within time limits?	*Yes*	VAT is identified in the payment schedules submitted to full council. The VAT reclaim for the period 1st October 2024 to 31st March 2025 in the sum of £2,062.70 was settled during the year under review. *Comment: the Clerk has ensured that the council has complied with section 33 of the 1994 VAT Act which allows local authorities and other public bodies to recover VAT incurred on costs associated with: non-business activities, taxable business activities where the body is VAT registered (subject to the normal rules), and exempt business activities (where the input tax incurred in relation to exempt activities is considered to be insignificant).*

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly?[3]	*N/A*	The council has not confirmed eligibility criteria to enable it to exercise the GPOC.
Are payments under s.137[4] separately recorded, minuted and is there evidence of direct benefit to electorate?	*Yes*	Whilst there were no payments allocated to this category, council's minutes identified payments totalling £1,617.02 as donations. All appeared to be in line with statutory limits and deemed to be able to demonstrate that the benefits would be commensurate with the expenditure. *Comment: in accordance with an identified internal control objective, council should ensure that there is clear reference to the exact power under which such expenditure is approved.*
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	*Yes*	The council has the following Public Works Board Loan: PW504368. Interest repayments are to be made twice yearly on the nearest working day to 14th March and 14th September. Balance outstanding on 31st March 2026 was seen and verified as £32,842.63. Interest in the sum of £3,985.68 was incurred for the year under review.
Additional comments: the RFO, to demonstrate that council is aware of the legal framework in which it operates, should reference in the financial summaries submitted to full council and/or minutes 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 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

[3] Localism Act

[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.*

Is income properly recorded and promptly banked?	*Yes*	Income is recorded in accordance with the Council's Financial Regulations. The accounting records contain day-to-day entries of all sums of money received. A review of the income received has shown that two entries for refunds have been incorrectly allocated as income. Council should is advised that refunds should not be regarded as income but should be used instead to reduce the original expense incurred. **Recommendation: Council should ensure that it correctly accounts for refunds noting that this is not income earned merely a reduction in expenses. Amendments should be made to the figures in Box 3 and Box 6 of the Draft AGAR as submitted.**
Is income reported to full council?	*Yes*	Income received is reported within the summary receipts and payments details submitted to full Council.
Does the precept recorded agree to the Council Tax Authority's notification?	*Yes*	Council received precept in the sum of £60,300 from Mid Suffolk District Council in April and September 2025. 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.
If appropriate, are CIL reporting schedules in accordance with the Regulations?[5]	*Yes*	CIL reporting schedules are maintained in accordance with the Regulations.
Is CIL income reported to the council?	*Yes*	Council did not receive any CIL receipts for the year under review.
Does unspent CIL income form part of earmarked reserves?	*Yes*	The CIL workings for 2025 - 2026 shows that there is a retained balance of £204,197.64 which has been transferred into an earmarked reserve.
Has an annual report been produced?	*Yes*	The annual CIL statement has been produced detailing the relevant figures and carry forward balance.
Has it been published on the authority's website?	*Yes*	The annual CIL statement has been uploaded to the 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
Is petty cash in operation?	*N/A*	*The council does not operate a petty cash system.*
If appropriate, is there an adequate control system in place?	*N/A*	

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
Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	*Yes*	Bank reconciliations were completed on a regular basis. An interrogation of the cash book and bank statements demonstrate that there were no matters arising from the review which suggested that there were errors in the entries and there was no identification of signs of fraud or duplicate entries (for which explanations / corrections were not forthcoming).
Do bank balances agree with bank statements?	*Yes*	Bank balances as of 31st March 2026 agree with the year-end bank statements and at year-end stood at £368,236.51 across the accounts held in the parish council's name.
Is there regular reporting of bank balances at Council meetings?	*Yes*	Whilst there is no formal record confirming that bank balances across the Council's accounts are reported at relevant meetings of full Council, they are contained within the summary receipts and payments submitted on a monthly basis. *Comment: Council should be aware of its own Financial Regulations 2.2 and ensure that at least once a quarter a member other than the Chairman or a*

		cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Council.
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
Do all employees have contracts of employment?	*Yes*	Council had two employees 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 a Contract of Employment is in place for all employees.
Has the Council approved salary paid?	*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. Amendments to contracts are formally approved by full Council. *Comment: Council has noted the requirement to ensure that it formally approves amendments to any employee's pay, emoluments, or terms and conditions of employment.*
Are all employees paid at least the minimum wage?	*Yes*	All employees are paid above the minimum wage.
Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?	*Yes*	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and as such the council has complied with its duties under legislation.
Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?	*Yes*	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced. Cross-checks were

		completed on a sample of payments covering salary and all were found to be in order. Deductions due to be paid to HM Revenue and Customs during the year under review are made in accordance with approved schedules and collected by variable direct debit.
Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?[6]	*Yes*	Council is aware of its pension responsibilities, but the members of staff are not enrolled into a pension scheme provided by the employer.
Have pension re-declaration duties been carried out	*Unclear*	Whilst Council has noted receipt of information from the Pensions Regulator, it is unclear if redeclaration duties have been carried out. *Comment: The Council should retain evidence confirming submission of the pension re-declaration to The Pensions Regulator and ensure that this is available for audit inspection. It is advisable that the minutes clearly record that the statutory re-declaration has been completed and submitted within the required timeframe.*
Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?	*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.
Additional comments:		

Section 9 – Year End procedures		
Evidence		*Internal auditor commentary*
Are appropriate accounting procedures used?	*Yes*	Accounts are produced on a receipts and payments basis.
Financial trail from records to presented accounts	*Yes*	The Internal Auditor confirms that having reviewed the year-end files, there is a full underlying financial trail from financial records to the accounts produced. The accuracy of the year-end bank reconciliation detail is verified

[6] The Pension Regulator – website click here

		along with the correct disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.
Has the appropriate end of year AGAR[7] documents been completed?	*Yes*	As Council is a smaller authority with gross income and/or 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 on the AGAR Form 3. *Comment: the Clerk has confirmed that due to a review of the way the Accounting Statements were first drawn up, amendments have since been made to the authorised Accounting Statements. The Clerk has confirmed that the Accounting Statements will be represented to Council for formal approval at the next scheduled meeting in July 2026.* **Recommendation: as Council will have failed to failure to approve the Annual Governance and Accounting Statements by 1st July, it is advised to consider its response to Assertion 3, Compliance with laws, regulations and proper practices.**
Did the Council meet the exemption criteria and correctly declared itself exempt?	*N/A*	As the council had gross income and expenditure exceeding £25,000 during 2024-2025 it could not declare itself exempt from a limited assurance review for the year ending 31st March 2025.
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?	*No*	The internal auditor is not able to confirm that the period for the public rights exercise was carried out in accordance with Sections 26 and 27 of the Local Audit and Accountability Act 2014 and Part 5 of the Accounts and audit Regulations 2015, as Council failed to publish on the website a statement setting out details of how public rights can be exercised. *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. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the way 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.* **Recommendation: as Council failed to demonstrate that it correctly**

[7] Annual Governance & Accountability Return (AGAR)

		provided for the exercise of public rights, it is advised to consider its respond to Assertion 4 of the Annual Governance Statements. ***See the commentary under Section 14 - External Audit from the external auditor.***
Have the publication requirements been met in accordance with the Regulations?[8]	*No*	The Internal Auditor is unable to confirm that the Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000, as it did not publish the following for the year 2024 - 2025 on a publicly accessible website: • **Internal Audit Report of the AGAR** • Section 1 – Annual Governance Statement of the AGAR - unaudited • Section 2 – Accounting Statements of the AGAR – unaudited • Declaration that the accounting statements are as yet unaudited. • **Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.** • **Section 3 – The External Auditor Report and Certificate** • **Notice of Conclusion of Audit** • **Sections 1 and 2 of the AGAR as audited.**
Additional comments:		

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
Is there evidence of risk assessment documentation?	*Yes*	The risk assessment documentation as provided details the risks associated with the operational functioning of a smaller authority and the measures that

[8] Accounts and Audit Regulations 2015

		the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the Council at its meeting in March 2026. *Comment: whilst the register may be seen as a live document with the procedural risks being identified, once reviewed, the document should be updated with a review date and an indication during the year if the risks have been further been assessed and appropriate measures undertaken*.
Is there evidence that risks are being identified and managed?	*Yes*	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 manage to avoid financial or reputational consequences. *Comment: council has in place monitoring documents which identify the risks involved with 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.*
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?*	*Yes*	Council has insurance in place with Zurich Insurance under a Select for Local Councils Policy. The schedule shows core cover for the following: Public Liability £12million; Employer Liability £10million; and Officials and Trustees Fidelity Guarantee of £500thousand. Cover for the Haughley Pavilion and Haughley Village Hall are included within the policy. *Comment: council has followed the 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.* During the year under review, evidenced from a review of the minutes of the meeting in August 2025, council is able to demonstrate that it is aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance and that annual reviews of the Council's insurance were undertaken prior to renewal. *Comment: Council has ensured that it is 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).
Evidence that internal controls are documented and regularly reviewed[9]	*Yes*	Whilst it has been confirmed that the Council reviewed its Internal Control Statement for the year ending 31st March 2026 20th May 2025, there is no minute reference to show that Council considered the effectiveness of its internal controls. *Comment: Council should note that under the Accounts and Audit Regulations 2015, there is a requirement to demonstrate evidence that council had in place safe and efficient arrangements to safeguard public money.* This is usually via a separate minute, and/or adoption of a Statement of Internal Control stating that Council has sufficient measures in place to mitigate the risk and that the system of internal control is effective and appropriate for the Council. The adoption of an Internal Control Statement, which is reviewed on an annual basis, might assist with ensuring that Council carries out and documents that it has carried out such a review.
Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment[10]	*Yes*	Whilst there is also no minute to show that Council considered the effectiveness of internal audit during the year under review, this would have been covered within the approval of the letter of engagement. *Comment: If Council were to adopt an Internal Control Statement this could be expanded to include the review of the effectiveness of internal audit thereby ensuring that by reviewing the terms of reference and effectiveness for internal audit, the council would be following guidance and demonstrating that it recognises that the function of internal audit is to test and report to the authority on whether its system of internal control is adequate.*
Additional comments:		

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

[9] Accounts and Audit Regulations
[10] Practitioners Guide

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
Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?[11]	*Yes*	The Asset Register is held on a spreadsheet and covers those items listed under insurance and within the parish council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2025) was £1,989,237.38. The Clerk to the council has confirmed that this is the sum to be used for the total assets under the remit of the parish council at year-end 31st March 2026.
Is the value of the assets included? (Note value for insurance purposes may differ)	*Yes*	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 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.
Are records of deeds, articles, land registry title number available?	*N/A*	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was conducted via remote means.
Are copies of licences or leases available for assets sited at third party property?	*N/A*	Council has not declared that it has assets located on third party property for which a formal lease is required.
Is the asset register up to date and reviewed annually?	*Yes*	The asset register seen is expected to be formally reviewed and signed at the meeting at which the Council formally approves the accounts. The values as seen on the register held on reflects those inserted on the Draft Accounting Statements being £1,989,237 (rounded).
Cross checking of insurance cover	*Yes*	Council has appropriate insurance under all risks cover for its assets as specified under the headings on the insurance schedule. The Asset Register was reviewed and a spot check of assets against the insurance schedule was undertaken to ensure that all assets are recorded appropriately and under insurance. Council has insurance under all risks cover for items within generic headers.

[11] Practitioners Guide

Additional comments:

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		*Internal auditor commentary*
Has the Council registered with the Information Commissioner's Office (ICO)?[12]	*Yes*	As a Data Controller, all local authorities are required to register with the Information Commissioner's Office (ICO) in accordance with Data Protection Legislation. It is noted that the council's registration was renewed in September 2025. Registration Certificate: ZA048429 with an expiry date of 27th March 2027 refers.
Is there an adopted council publication scheme and is it reviewed regularly?	*Yes*	The Freedom of Information Act 2000 requires every public authority to have a publication scheme, approved by the ICO, and to publish information covered by this scheme. *Comment: The scheme as viewed on the website contains details of a previous clerk and council should seek to review the information and update the document to ensure it is compliant with current Regulations.*
Is the Council compliant with the General Data Protection Regulation requirements?[13] *Councils must:* • *Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018* • *Process personal data lawfully, fairly and in line with the prescribed data protection principles* • *Recognise their role as both data controller and data processor*	*Yes*	Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted appropriate Data Protection and Management Policies which detail the manner in which the parish council will protect and handle information relating to personal information. The Policy 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 and covers the measures that the council will undertake to ensure adequate provision for the preservation of documents, books and papers belonging to the parish. To ensure compliance with the General Data Protection Regulation requirements, council has also adopted and published policies which will detail the

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

		procedures for dealing with subject access and the way personal information will be protected from data breaches. *Comment: to ensure compliance with the data protection regulations, council should conduct regular data audits to identify the personal information held by the council, the way it is held and the lawful basis in which the information is being processed. Council should also ensure that all relevant policies are regularly reviewed to ensure compliance with changes in legislation.*
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	*Work required*	The Local Government Transparency Code 2015 applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,00. The government believes that Smaller Authorities with total turnover or expenditure greater than £25,000 but under £200,000, should seek to comply with the Local Government Transparency Code 2015, and should make all data held and managed by local authorities available to the public unless there are specific sensitivities to doing so, as per the Practitioners' Guide 5.127. **Recommendation: Council should review the provisions of the Local Government Transparency Code 2015 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:** publish quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000. Publish annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart.
Has the Council published a website accessibility statement on their website in line with Regulations?[14]	*Yes*	The website accessibility statement is that of the website host which details the tests carried out on the shared templates and styles provided to their standard parish websites: https://www.suffolk.cloud/home/accessibility-statement). The website was tested against the WCAG 2.2 AA Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

[14] Website Accessibility Regulations 2018

Has website accessibility been tested, at least annually?	*No*	The accessibility statement states that the site was last tested in November 2024 to ensure compliance.
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	*Yes*	Council currently operates with the website: https://haughleypc.co.uk/ which supports a secure and digitally managed email system for the Clerk. *Comment: Authority-owned email accounts ensures that sensitive information is managed in a controlled environment with appropriate security measures. This aligns with GDPR principles such as data minimisation, integrity and confidentiality.*
Does the council have an IT policy that is tailored to the council? [16]	*No*	The Council has not adopted an IT Policy. **Recommendation: to demonstrate compliance with Assertion 10 – Digital and data compliance - Council must adopt an Information Technology Policy covering the use of IT equipment for authority business for both Staff and Councillors which explains how all involved with the authority – clerks and members - should conduct authority business in a secure and legal way when using IT equipment and software.**
Additional comments:		

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		*Internal auditor commentary*
Has the Council considered the previous internal audit report?	*Yes*	The Internal Audit Report for the period ending 31st March 2025 was presented at the meeting of full Council on 12th August 2025. The minutes state that a response would be provided concerning the internal audit's recommendations.

[15] Practitioners Guide
[16] Practitioners Guide

Has appropriate action been taken regarding the recommendations raised?`	*Ongoing*	The following matters or recommendations were raised in the report, and council has still to take steps to implement policies and procedures to address the area identified for improvement or development: 1. To include reference to GDPR in the Council's Risk Assessment. 2. The Publication date for the exercise of public rights should be at least one day following the date of approval and signing of the AGAR. **3. To ensure the precept amount is minuted alongside the precept resolution.** 4. To update the asset register, and the figure in Box 9, Section 2 of the 2025 AGAR, to include fixed assets purchased during the year of audit. 5. For the 2025-2026 financial year, to provide all statements up to and including 31/3/2026 **6. To prepare the 2025 accounts on an Income and Expenditure basis and restate the 2024 accounts on the same basis. If the Council's income and expenditure fall below £200,000 for 3 consecutive years, the Council can revert to preparing the year end accounts on a Receipts and Payments basis.**
Has the Council confirmed the appointment of an internal auditor?[17] *Has the letter of engagement been approved by full council?[18]*	*Yes*	The appointment of the person to act as the parish council's independent internal auditor for the year 2025 - 2026 was approved at the council meeting of 16th February 2026. *Comment: Council has 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.* The letter of engagement was approved at the meeting of 17th March 2026. *Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.*

[17] Practitioners' Guide
[18] Practitioners' Guide

Additional comments:

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		*Internal auditor commentary*
Has the Council considered the previous external audit report?[19]	*No*	There is no minute to confirm that Council confirmed receipt of the External Audit Report and Certificate for the year ending 31st March 2025 (following the receipt of an interim audit report provided on 28th September 2025.) **Recommendation: Council should note that in accordance with Regulation 16 of the Accounts and Audit Regulations 2015, the annual audit letter received from the auditor must be considered by the authority as a whole. Council should ensure that future year's letters are presented to and considered by full council.** *Comment: Council is further advised that Regulations 20 of the Accounts and Audit Regulations 2015 states that the annual audit letter, having been received from the auditor, must be considered by the authority and published (including publication on the authority's website) and council should allow copies to be purchased.*
Has appropriate action been taken regarding the comments raised?	*No*	The external certificate and report for the year 2024-2025, confirmed that except for the matters reported below, on the basis of their review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in their opinion the information in Sections 1 and 2 of the AGAR were in accordance with Proper Practices and no other matters have come to their attention giving cause for concern that relevant legislation and regulatory requirements have not been met:

[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.*

		"The smaller authority has disclosed that it made proper provision during the year 2024/25 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct. The AGAR was not accurately completed before submission for review. Information received from the smaller authority indicates that assets purchased during the year have not been included in Section 2, Box 9. Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £35,801. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR". Other matters not affecting our opinion which we draw to the attention of the authority: "We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2025/26 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27. In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to GDPR, minutes for precepting amounts and resolution, and bank statements. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner".
Recommendation: as council has failed to consider both the external audit report and has failed to take appropriate action on all matters raised in reports from internal and external audit, it is advised to consider its response to Assertion 7 – Reports from Auditors.		

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		*Internal auditor commentary*
Was the annual meeting held in accordance with legislation? [20]	*Yes*	Council held its Annual Meeting of the Parish Council on 20th May 2025 in accordance with legislation at which the Chair was elected for the coming year.
Is there evidence that Minutes are administered in accordance with legislation? [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.
Is there a list of members' interests held?	*Yes*	A copy of the members' interests for all serving councillors on 31st March 2026 was seen on the District Council's website with a direct link from that of the parish council.
Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?	*Yes*	The Council is the sole trustee to Haughley Recreation Ground (Registration No. 304759). The reporting to the Charity Commission is up to date with the charity commission website stating that the annual return for the year ending 31st March 2025 was submitted on 23rd January 2026 on time. The accounts show that there are nil gross income and nil gross expenditure. The charity is run by a committee set up by the Sole Trustee, which is Haughley Parish Council. The Parish Council appoints a Councillor to act as a Council representative on the Playing Field Committee. The Councillor reports directly to Trustee and does not have any delegated powers
Is there evidence that electronic files are backed up?	*Yes*	The council's risk assessment register confirm that council uses a system whereby a back-up of the council's data is taken and stored appropriately.
Do terms of reference exist for all committees and is there evidence these are regularly reviewed?	*N/A*	Council does not operate with Standing Committees.
Additional comments:		

[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

Signed: Victoria Waples

Date of Internal Audit review: 23.06.26 – 30.06.26

Date of Internal Audit Report: 30.06.26

On behalf of Suffolk Association of Local Councils