

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

Clerk	Debbie Hattrell
RFO (if different)	-
Chairperson	Councillor Clare Morgan
Precept	£22,029.00
Income	£139,674.20
Expenditure	£164,967.57
General reserves	£12,056.46
Earmarked reserves	£25,000.00
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		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Council's Standing Orders, as reviewed and adopted in November 2025 (5 th November 2025), are based on the Model Standing Orders published by the National Association of Local Councils (NALC) in 2025.
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations, as seen on the Council's website were reviewed at the meeting of 7 th January 2026 and are based on the NALC Model Financial Regulations published in 2024. <i>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. Council should also ensure that any revisions arising from the NALC Model Regulations of March 2025 are also incorporated.</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(d) (financial administration), council has appointed a person 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.
Additional comments:		

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

¹ Section 151 Local Government Act 1972

Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2025 - 2026 was approved at the Council meeting of 7 th January 2025 and set at £34,037 to be funded from the precept, reserves and known income streams. The budget for the year 2026 - 2027 was decided at the council meeting of 7 th January 2026. <i>Comment: council might wish to ensure that contained within the minutes are details of 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 minutes of 4 th December 2024 confirmed that the precept to be levied for the year 2025 - 2026 would be set at £22,029. From paperwork seen it was noted that this would equal a 5.0% increase on a Band D dwelling over that set for the previous year. The precept for the year 2026 - 2027 was discussed and approved at the meeting of 7 th January 2026 and set at £23,056. The minutes demonstrate the impact this increase would have on a Council Tax Band D over that set for the previous year as being an increase of 54% or £1.84. The illustrative Band D charge would be £38.63. <i>Comment: in accordance with best practice, council has recorded in the minutes the impact the precept being set would have on a Band D Dwelling in percentage and monetary terms.</i>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Council received reports detailing reviews covering comparisons between budgeted and actual income and expenditure. <i>Comment: council has shown conformity with the regularity in which the reports are received and ensured it is acting in accordance with the timescales as specified in its own Standing Order 17c.</i>
<i>Reserves held – general and earmarked²</i>	Yes	The Council, as at year-end, had overall reserves of £37,056.46 broken down as General Reserves totalling £12,056.46 and Earmarked Reserves of £25,000.00.

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><i>Comment: whilst Council is aware of guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure (NRE), the level of General Reserves is considered to be rather low to cover unexpected expenditure or emergencies thereby risking the council's ability meet its obligations.</i></p> <p>It is however noted that Council has ensured that the level of general reserves held is generally in accordance with its adopted General Reserve Policy (as reviewed and adopted in February 2025) which states that current level of general reserves to be held by the council is between 30% - 50% of the annual precepted figure, i.e. to fully cover approximately six months of contracted expenditure.</p> <p>Council is aware that 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).</p>
<p>Additional comments:</p>	

<p>Section 3 – Proper bookkeeping</p>		
<p>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.</p>		
<p>Evidence</p>	<p><i>Internal auditor commentary</i></p>	
<p><i>Is the ledger maintained and up to date?</i></p>	<p>Yes</p>	<p>The council uses the Scribe Financial Software accounting package which produces a suite of tools to allow for reporting on a receipts and payments basis. The financial software used by the Council allows the automation of many of its transactions involving income and expenditure, as well as reports and financial statements. This type of accounting procedure used by the RFO gives a more 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.</p>

<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	Council's gross income and expenditure level is below the threshold of £200,000. Council's operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on an income and expenditure basis with adjustments prior to year-end shutdown.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis. 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	Several spot checks were conducted, and the functionality of the cashbook was found to be in order.
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>		
Evidence		<i>Internal auditor commentary</i>
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 all were found to be recorded / authorised in accordance with Proper Practices. All were found to be in order. 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 to full Council. 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	<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. Whilst the council's risk assessment documentation details the procedure to be followed for cheque payments, council's Internal Controls details the procedure to be followed for the making of electronic payments in accordance with council's own Financial Regulations.</p> <p><i>Comment: in accordance with Financial Regulation 7.10, the Council should ensure that the approval of the use of BACS is renewed by resolution of the council at least every two years.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified in the cash book and settled at appropriate intervals. The claim covering the period 1st April 2025 to 31st July 2025 in the sum of £26,238.06 was settled by His Majesty's Revenue and Customs on 8th August 2025. The year-end VAT position is confirmed as £1,607.55 which has been correctly recorded as a year-end debtor. It is also confirmed that the year-end Debtor (of 31st March 2025) in the sum of £2,675.54 was received into the Council's accounts in April 2025.</p> <p><i>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).</i></p>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ³	Yes	<p>The council confirmed eligibility criteria to enable it to exercise the GPOC at its meeting on 17th May 2023.</p> <p>Council's adopted Grant Policy defines the principles, criteria and processes that govern how all grants are made allowing the council to make an informed assessment of grant applications so that decisions are made in a way that is fair and transparent. Grants offered during the year under review totalled £250.00.</p>

³ Localism Act

Are payments under s.137 ⁴ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
<p>Additional comments: For the year under review, there was one tender (contract 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. The council, with involvement from other stakeholders, oversaw the procurement process for new play equipment. Having considered the evaluation and recommendations, it ratified the appointment of a contractor to deliver the project. Council has understood that where the legislation applies, as a contracting authority, it must, in general, meet their contractual requirements for goods, works and services by means of an award process that is based on objective, relevant and proportionate criteria.</p> <p>Recommendation: council should note the requirement that where the opportunity was not advertised, Regulation 112 of the Public Contracts requires a council to publish the award of a contract over £30,000 on Contracts Finder within a reasonable timescale. There is no specified timescale for parishes, but it is suggested within 3 months.</p>		

<p>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.</p>		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	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. 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. The account show that Council received receipts

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.

		from the Leavenheath Fete and Grants (including a CIL bid) towards the Leavenheath Play Area Project.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £22,029.00 from Babergh District Council for the period under review as reported at the meetings in May and October 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.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁵</i>	Yes	CIL reporting schedules are maintained in accordance with the Regulations.
<i>Is CIL income reported to the council?</i>	N/A	Council did not receive any CIL receipts during the year under review.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL workings for 2025 - 2026 shows that there is a retained balance of £NIL as all CIL funds have been expended during the year under review.
<i>Has an annual report been produced?</i>	Yes	The annual CIL statement has been produced detailing the relevant figures and zero carry forward balance.
<i>Has it been published on the authority's website?</i>	Yes	The annual CIL statement has been uploaded to the website. <i>Comment: council is aware that the Regulations provide clarity on the timing of the reports, and by which date they should be brought into the public domain</i>
Additional comments:		

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	

⁵ Community Infrastructure Levy Regulations 2010

<i>If appropriate, is there an adequate control system in place?</i>	N/A	
Additional comments: a petty cash system is not operated by the council.		

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 were completed on a regular basis throughout the year, with independent scrutiny of the bank reconciliation being carried out by the council. 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 or corrections were not forthcoming). Council is aware of its own Financial Regulation 2.6 which states that at least once in each quarter, and at each financial year end, a member other than the Chairperson shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 st March 2026 agree with the year-end bank statements and at year-end stood at £35,448.91 across the accounts held in the parish council's name.
<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. Council's internal control statement confirms that reconciled accounts including bank reconciliation are presented to the council at council meetings, thereby demonstrating that an internal review and verification of the bank reconciliation versus the bank statements has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.

Additional comments:

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had one employee on its payroll at the period end of 31 st 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.
<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. Amendments to contracts are formally approved by full Council. The minutes of 7 th January 2026 confirm that the Parish Council continues to adhere to the National Pay scales and Terms for Clerks. The pay award for 2025 was implemented during the year under review. <i>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.</i>
<i>Are all employees paid at least the minimum wage?</i>	Yes	The employee is paid above the 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 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 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.

<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 staff member has joined the pension scheme provided by the employer. Payment of liabilities due are made in accordance with the agreed contributions rates having been applied and were made in accordance with the approved schedules.
<i>Have pension re-declaration duties been carried out</i>	Yes	From paperwork seen, the council's re-declaration of compliance with The Pensions Regulator is due by 30 th December 2026 with the third anniversary being 30 th July 2026. The Clerk has confirmed that this is diarised for completion in a timely manner.
<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.

Additional comments:

Section 9 – Year End procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on an income and expenditure basis. 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.
<i>Financial trail from records to presented accounts</i>	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 along with the correct disclosure of the combined cash and bank balances in the Draft AGAR, section 2, line 8.
<i>Has the appropriate end of year AGAR⁷ documents been completed?</i>	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

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

⁷ Annual Governance & Accountability Return (AGAR)

		<p>and Accountability Return (AGAR) Form 3. The Accounting Statements were seen on the council's website as being approved by Full Council on 26th May 2026. They are however unsigned.</p> <p>Recommendation: council should note the instructions contained within the Practitioners' Guide 2025 which states that the completed annual governance statement signed by the Chairman and Clerk and accounting statements signed and dated by the Chairman and RFO must be published on the authority's website.</p>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	<p>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.</p>
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	<p>The internal auditor is able to confirm that the period for the public rights exercise covered the period 3rd June to 14th July 2025. It is confirmed that the notice of the public rights for the year ending 31st March 2025, dated 1st June 2025, was found on the council operated website.</p> <p><i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection. 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.</i></p>
<i>Have the publication requirements been met in accordance with the Regulations?⁸</i>	Yes	<p>The Internal Auditor is able 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 has published the following for the year 2024 - 2025 on a publicly accessible website:</p> <ul style="list-style-type: none"> • 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.

⁸ Accounts and Audit Regulations 2015

		<ul style="list-style-type: none"> • 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
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the council at its meeting of 17 th September 2025.
<i>Is there evidence that risks are being identified and managed?</i>	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. <i>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.</i>
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability</i>	Yes	Council has insurance in place its main insurance under a Local Council Policy. Core cover for the council's insurance policy is shown as: Public &

<p><i>and fidelity guarantee and has been reviewed on an annual basis?</i></p>		<p>Products Liability: £10million; Employer’s Liability: £10million and Fidelity Guarantee of £250thousand. At renewal, council was in the final year of long-term understanding which would expire on 31st May 2026. <i>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.</i> During the year under review, evidenced from the minutes of the meeting of 2nd July 2025, council is able to demonstrate that it undertook to ascertain whether its insurances were adequate and whether it had taken all steps to mitigate and manage identified risks with appropriate insurance and that annual reviews of the Council’s insurance were undertaken prior to renewal. <i>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).</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁹</i></p>	<p>Yes</p>	<p>Council adopted an Internal Control Statement for the year ending 31st March 2026 at the meeting of 7th January 2026. <i>Comment: As such, it is evidenced from the document seen, that the council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances.</i></p>
<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment¹⁰</i></p>	<p>Yes</p>	<p>The council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting of 17th September 2025. <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>

⁹ Accounts and Audit Regulations

¹⁰ Practitioners Guide

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 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 Asset Register is held on a computerised system and covers those items listed under insurance and within the parish council’s remit for maintenance and ownership. Council’s asset policy defines fixed assets as items of machinery and equipment which have a useful life of more than one year. It is noted that the declared value for all assets at year-end (31.03.2026) is £16,267.03 which reflects movement in the year under review in relation to acquisitions.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 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. Where assets have been gifted or where there is no known value, assets have been given the proxy value of £1. This value has also been applied to community assets, which, in accordance with guidance, are treated in the same manner as gifted assets.
<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 conducted 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 assets located on third party property for which a formal lease is required.

¹¹ Practitioners Guide

<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register seen was initially reviewed at the meeting of full Council on 17 th September 2025 with the minutes noting that the detailed register would be reviewed and acquisitions included prior to year-end. Formal approval of the register was given at the meeting at which the Annual Governance And Accountability Return was approved. The values as seen on the register held on the financial accounting software package reflects those inserted on the Accounting Statements being £16,267 (rounded).
<i>Cross checking of insurance cover</i>	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. Specified cover is in place for named items on the schedule.
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		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?¹²</i>	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: ZA059706 with an expiry date of 6 th Julyu2026 refers.
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	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. Council has a tailored publication scheme.

¹² Data Protection Act 2018

<p><i>Is the Council compliant with the General Data Protection Regulation requirements?¹³</i></p> <p><i>Councils must:</i></p> <ul style="list-style-type: none"> • <i>Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018</i> • <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i> • <i>Recognise their role as both data controller and data processor</i> 	<p>Yes</p>	<p>Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a Data Protection and Information Management Policy and a Data Information Policy, both of 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 procedures for dealing with subject access and the manner in which personal information will be protected from data breaches.</p> <p><i>Comment: to ensure compliance with the data protection regulations, council conducts regular data audits to identify the personal information held by the council, the manner in which it is held and the lawful basis in which the information is being processed.</i></p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>To be considered</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: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card</i></p>

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

		<i>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.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i>	Yes	The Council has published a host website accessibility statement on the council operated website detailing the technical information of the website stating that the website is fully compliant with the WCAG 2.2 AA Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Has website accessibility been tested, at least annually?</i>	No	The accessibility statement was prepared by the host in November 2024. <i>Comment: council might wish to ensure that it includes its own accessibility statement, as the website owner, and publishes it on the website and ensures that it is kept under regular review. This statement should include reasons for not meeting accessibility requirements, ways to source alternative copies of non-accessible documents and a point of contact.</i>
<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>	Yes	Council currently operates with the website: https://leavenheath-pc.gov.uk which supports a secure and digitally managed email system for officers and councillors. <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>
<i>Does the council have an IT policy that is tailored to the council?¹⁶</i>	Yes	The Council adopted a Data and Information Management Policy in 2018 which covers the use of IT equipment for authority business for both Staff and Councillors. The policy also 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. This also relates to the use of authority-owned and personal equipment.

¹⁴ Website Accessibility Regulations 2018

¹⁵ Practitioners Guide

¹⁶ Practitioners Guide

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		<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 was formally considered by and approved for adoption at the meeting of full Council of 17 th September 2025.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Work in progress</i>	The following recommendations were raised in the report, but council has still to take steps to address the issue raised: 1. Evidence within the body of the minutes of the budget being set and the reasoning for such a budget.
<i>Has the Council confirmed the appointment of an internal auditor?¹⁷</i> <i>Has the letter of engagement been approved by full council?¹⁸</i>	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 17 th September 2026. <i>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.</i> The letter of engagement was approved at the meeting of 26 th May 2026. <i>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.</i>

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	Yes	The External Audit Report and Certificate for the year ending 31 st March 2025 was submitted to the meeting of 17 th September 2025. The minutes of which note that the report has been received and accepted.
Has appropriate action been taken regarding the comments raised?	N/A	There were no matters brought to the attention of the council and those reviewing the financial records.
<p><i>The Internal Auditor is able to verify that the external auditor report and certificate along with the conclusion of the external audit have been published on the Council’s website in accordance with the prescribed timescales. Details as to how copies may be purchased have also been included.</i></p> <p>Additional Comment: Council has noted Regulation 16 which states that the annual audit letter received from the auditor must be considered by the authority and published (including publication on the authority’s website) and to permit copies to be purchased.</p>		

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

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.

<i>Was the annual meeting held in accordance with legislation?</i> ²⁰	Yes	Council held its Annual Meeting of the Parish Council on 7 th May 2025 in accordance with legislation in place at that time, at which the Chair for the year was so appointed.
<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. Council should also be aware that the loose-leaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence and that loose leaf pages should be consecutively numbered 1972 Act schedule 12, paragraph 41(2). Recommendation: in accordance with legislation, looseleaf minutes should either have agenda items or pages that are consecutively numbered.
<i>Is there a list of members' interests held?</i>	Yes	A copy of the members' interests for all of the councillors was seen on the district council's website with a direct link from that of the parish council's website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	The Council does not have any sole trustee responsibilities.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council uses a system whereby a back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate with standing committees.
Additional comments:		

Signed: Victoria Waples

Date of Internal Audit review: 05.06.26 – 10.06.26

Date of Internal Audit Report: 10.06.26

On behalf of Suffolk Association of Local Councils

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