

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

Clerk	Abbie Lee
RFO (if different)	n/a
Chairperson	Graham Round
Precept	£58,000.00
Income	£88,146.68
Expenditure	£71,593.26
General reserves	£79,947.07
Earmarked reserves	£186,874.03
Audit type	Annual – non-exempt authority
Auditor name	Sharon Smith

Introduction

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

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

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

Methodology

When conducting the audit, the internal auditor may:

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

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	The Council's Standing Orders, as seen on the Council's website, are based on the latest model published by NALC (April 2025) and were approved by the Council at a meeting held on 18 June 2025.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations, as seen on the Council's website, are based on the latest model published by NALC (March 2025) and were approved by the Council at a meeting held on 16 July 2025. <i>COMMENT: The Council may wish to review its Financial Regulations against the National Association of Local Councils Procurement Advice Note (3 February 2026) and consider incorporating the relevant provisions to ensure that its procurement procedures remain current and in line with best practice. (link to view the advice note)</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Financial Regulations published on the Council's website have been tailored to the Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	In accordance with statute, the Council confirmed the reappointment of the Clerk to be responsible for the administration of the financial affairs of the Council at a meeting held on 21 May 2025.

¹ Section 151 Local Government Act 1972

Section 2 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2025-2026 was considered and approved by the Council at a meeting held on 15 January 2025.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £58,000 for 2025-2026 and formally approved by the Council at the meeting held on 15 January 2025 recording a 3.3% increase over that of the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Budget versus actual income and expenditure reports were presented to and reviewed by the Council and recorded in the minutes of meetings held on 16 July 2025, 21 January 2026 and 18 March 2026.
Reserves held – general and earmarked ²	Yes	<p>The Council held General Reserves of £79,947.07 at year end, against a precept of £58,000. This represents approximately 138% of the annual precept.</p> <p>The Council’s Reserves Policy sets a target range of 45% to 65% of the annual precept (equating to approximately £26,100 to £37,700), intended to cover 6 to 9 months of running costs. General Reserves therefore exceed the upper limit of the Council’s adopted policy.</p> <p>The Council is advised to note guidance set out in Proper Practices, which indicates that it is generally acceptable for a Council’s general (non-earmarked revenue) reserves to equate to between 3 and 12 months of Net Revenue Expenditure. Whilst there is no prescribed upper limit for earmarked reserves, these should be held for specific, genuine and intended purposes, and their level should be subject to regular review and justification, at least annually.</p>

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

		RECOMMENDATION: Whilst the Council holds a significant level of Earmarked Reserves (£186,874.03) for specific future commitments, it is recommended that the Council formally reviews the level of General Reserves as part of its budget-setting process, to ensure alignment with its Reserves Policy and to consider whether any surplus funds should be allocated to Earmarked Reserves or used to support future projects or reduce the precept.
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Section 3 – Proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		Internal auditor commentary
<i>Is the ledger maintained and up to date?</i>	Yes	The Council uses Easy PC to produce reports on a receipts and payments basis and ensures that the financial transactions of the Council are as accurate as reasonably practicable. All transactions are referenced and provide an effective tool for the basis of the Council's internal controls.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	The Council's gross income and expenditure level is below the threshold of £200,000 and has been for three continuous years. Council's operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments basis. The Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The Council follows Proper Practices in ensuring that its accounting procedure gives an accurate presentation of the financial position and provides good evidence to support the Council's underlying statements.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out, and the cashbook was found to be in order.

Section 4 – Payment controls		
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 expenditure items was made and cross-checked against the cash book and bank statements. At each Council meeting a list of payments is presented to ensure formal approval of expenditure and this is correctly recorded. This demonstrates good practice in that there are measures in place that help safeguard public money supported by a straightforward and clear audit trail for each payment.
Where applicable, are internet banking transactions properly recorded and approved?	Yes	The Clerk confirmed that internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's expenditure. The Internal Control Statement details the procedure to be followed for such payments.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	Recoverable VAT is identified in the cash book with a claim made during the period under review evidenced as received in the Council's bank account on 31 October 2025 at a value of £13,381.99.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ³	Yes	The Council confirmed its eligibility criteria to enable it to exercise the GPOC at a meeting held 17 May 2023 which remains in place until the next relevant meeting.
Are payments under s.137 ⁴ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	The Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.

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.

Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	The Council has no loans.
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Section 5 – Income controls		
The internal auditor will seek evidence to ensure income is correctly managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	A number of items of income were cross-checked against the cash book and bank statement and found to be in order. In accordance with Proper Practices the Clerk ensures that accounting records contain day to day entries of all sums of money.
<i>Is income reported to full council?</i>	Partially	<p>Income is recorded within the accounting records. However, based on the minutes reviewed, income is not routinely reported to Council as part of regular financial reporting. While budget monitoring reports including income have been presented during the year, these appear to be periodic rather than forming part of a consistent reporting cycle. Financial reports presented to Council otherwise focus primarily on expenditure.</p> <p>This means that the Council may not receive a complete and up-to-date picture of its financial position on a regular basis, as income is not consistently presented alongside expenditure. Reliance on bank reconciliations alone does not provide sufficient transparency, as these confirm cash balances but do not clearly identify or summarise income streams.</p> <p>This limits effective financial oversight, as members are not readily able to verify that all expected income has been received and correctly recorded throughout the year.</p> <p>RECOMMENDATION: The Clerk may wish to consider presenting comprehensive financial reports to the Council on a regular basis, which include both income and expenditure. This will ensure that members have a complete and transparent view of the Council’s financial position and can exercise effective oversight in accordance with Proper Practices.</p>

<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The Council received a precept of £58,000 during the year under review from Babergh District Council in April and September.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁵</i>	Yes	The Council has complied with its duty to produce an annual report that details the amount of CIL funds received and spent. The Council has demonstrated it understands the requirements to comply with its duty to produce and publish the annual report. In accordance with regulations Council has ensured that retained balances are transferred to the earmarked reserves specifically restricted.
<i>Is CIL income reported to the council?</i>	Yes	CIL income is recorded within the accounting records and evidence within the minutes of 18 March 2026 confirms that members were informed of the level of CIL reserves, allocations against current projects, and the remaining balance available. This demonstrates that CIL is appropriately identified, ringfenced, and reported to Council.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	A Reserves Report was also presented during the year which separately identifies CIL as an earmarked reserve.
<i>Has an annual report been produced?</i>	Yes	An annual report has been produced and is due for approval by the Council at a meeting to be held on 21 May 2026.
<i>Has it been published on the authority's website?</i>	Yes	The draft annual report has been published on the Council's website.

⁵ Community Infrastructure Levy Regulations 2010

Section 6 – Petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	The Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	N/A

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	<p>Bank reconciliations are presented to and reviewed by the Council, as evidenced in the minutes; however, the reconciliations are not signed and dated by the Responsible Financial Officer, nor is there clear evidence of independent verification by a Councillor in accordance with the Council's Financial Regulation 2.6.</p> <p>Whilst bank statements were provided separately for audit, these were not presented alongside the reconciliations to provide a clear and complete audit trail.</p> <p>Financial Regulation 2.6 requires that, at least three times per year and at the financial year end, a member (other than the Chair) verifies bank reconciliations and signs and dates them as evidence of this review, with the activity reported to and noted by the Council.</p> <p>RECOMMENDATION: The Council should ensure that bank reconciliations are signed and dated by the Responsible Financial Officer and independently verified by an appointed member in accordance with Financial Regulation 2.6. Supporting documentation should be presented alongside the reconciliation to provide a clear audit trail, with this activity reported to and noted by the Council.</p>
<i>Do bank balances agree with bank statements?</i>	Partially	<p>For the bank reconciliations provided for review, it was possible to align bank balances with the corresponding bank statements.</p> <p>However, an exception was noted in relation to the Skipton Building Society account at the year end. The bank statement used to support the year-end reconciliation was not dated to the period end of 31 March 2026, with the most recent statement provided dated 28 January 2026. As a result, it was not possible to verify that the reconciled balance reflects the true position at</p>

		<p>the year end, as movements between the statement date and the reconciliation date could not be verified.</p> <p>RECOMMENDATION: The Council should ensure that bank reconciliations, particularly at the financial year end, are supported by bank statements (or equivalent evidence) that reflect the balance at the same reporting date. Where statements are not available for the exact date, alternative evidence such as transaction listings or interim statements should be obtained to confirm the closing balance.</p>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Bank balances are reported to the Council through the presentation of bank reconciliations, as evidenced in the minutes, and are presented on a regular basis.

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	The Council had one employee on its payroll at the period end 31 March 2026. Employment contracts were not reviewed during the internal audit, but the Clerk has confirmed that a Contract of Employment is in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to the Council for approval and payments made in accordance with Council's own Financial Regulations.
<i>Are all employees paid at least the minimum wage?</i>	Yes	No employee is paid the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	The payroll function is operated in accordance with HM Revenue and Customs guidelines. There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the Council has complied with its duties under employment legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on payments covering salary and PAYE were found to be in order.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁶</i>	Yes	The employee is a member of the NEST pension scheme and pension payments are in operation.
<i>Have pension re-declaration duties been carried out</i>	Yes	The Council noted the completion of the Pension Redecoration on 18 March 2026 with the Pension Regulator.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by the Council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.

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

Section 9 – Year End procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The Council’s accounting records and supporting documentation were made available for internal audit review.
<i>Has the appropriate end of year AGAR⁷ documents been completed?</i>	Partially	<p>The Council has completed the correct form of the AGAR, being Section 2 of Form 3, as a smaller authority with gross income and expenditure exceeding £25,000. The Accounting Statements have been prepared in draft form for internal audit purposes.</p> <p>The Council is the sole trustee of the Acton Field Trust. The Trust is managed by a separate committee, with minutes published on the Council’s website. Trust transactions are held separately and are excluded from the Council’s accounts. However, the Accounting Statements have not been completed fully in accordance with Proper Practices. In particular, the Council has indicated “No” in response to the question “Do the figures in the accounting statements above exclude any trust transactions?”, whereas the correct response should be “Yes”.</p> <p>In addition, Box 3 (Receipts) does not appear to agree to the underlying accounting records, and the Accounting Statements do not balance, as the year-end balances and reserves do not reconcile to the required calculation: (Boxes 1 + 2 + 3) – (Boxes 4 + 5 + 6). Furthermore, the figures are not presented in whole pounds in accordance with the guidance notes.</p> <p>RECOMMENDATION: The Council should review and amend the Accounting Statements prior to approval to ensure that:</p>

⁷ Annual Governance & Accountability Return (AGAR)

		<ul style="list-style-type: none"> • the response relating to trust transactions is completed correctly • all figures agree to the underlying accounting records • the Accounting Statements balance in accordance with the required calculation • figures are stated in whole pounds, rounded to the nearest £1 <p>This will ensure that the AGAR is completed accurately and in accordance with Proper Practices.</p>
<i>Did the Council meet the exemption criteria for 2024-2025 and correctly declared itself exempt?</i>	N/A	As the Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2024-2025, the Council correctly provided for the exercise of elector's rights.
<i>Have the publication requirements been met in accordance with the Regulations?⁸</i>	Yes	The Clerk had set the dates for the inspection of the Council's accounts and associated documents as 1 July 2025 to 11 August 2025 with the date of the notice being 30 June 2025. This is published on the Council's website.

⁸ Accounts and Audit Regulations 2015

Section 10 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The Council’s Risk Management Plan 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 Management Plan for the year under review was considered and adopted by the Council at a meeting held on 18 February 2026
<i>Is there evidence that risks are being identified and managed?</i>	Yes	The Council is aware that risk assessment needs to focus on the safety of the Council’s assets, and particularly its money. There is evidence that the Council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Yes	The Council has insurance in place under a specialist policy with Clear Councils which shows core cover for the following: Public / Products Liability: £10m; Employers Liability £10m and Fidelity Guarantee of £500k. The Council reviewed and approved its insurance cover with Clear Councils at a meeting held on 17 September 2025.
<i>Evidence that internal controls are documented and regularly reviewed⁹</i>	Yes	At the meeting held on 16 July 2025, the Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances by approving the Internal Control Statement.

⁹ Accounts and Audit Regulations

<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>	Yes	In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements within the internal control as detailed above.
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¹⁰ Practitioners Guide

Section 11 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?¹¹</i>	Yes	<p>The Asset Register at 31 March 2026 was reviewed and approved by the Council at a meeting held on 18 February 2026.</p> <p>The value of the Council’s assets has reduced from £196,237 in the prior year to £170,054 at 31 March 2026, a decrease of £26,183.</p> <p>A review of the asset registers does not identify disposals of sufficient value to account for this reduction. The reduction therefore may indicate a change in valuation methodology or recording basis. However, no reconciliation or explanation has been provided to support this movement.</p> <p>RECOMMENDATION: The Council should ensure that:</p> <ul style="list-style-type: none"> • asset values are recorded on a consistent basis year to year • any changes in valuation methodology are clearly documented • a reconciliation is maintained explaining movements in total asset value between financial years
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	The declared value for all assets at year-end is £170,054.
<i>Are records of deeds, articles, land registry title number available?</i>	No	<p>The Council’s asset register includes reference to land owned; however, the level of detail recorded is limited. In particular, key information such as HM Land Registry title numbers are not provided.</p> <p>The absence of this information reduces the Council’s ability to clearly</p>

¹¹ Practitioners Guide

		<p>evidence legal ownership and limits assurance that property interests are fully documented and safeguarded.</p> <p>RECOMMENDATION: The Council may wish to enhance its asset register by including additional detail for land and property assets, such as HM Land Registry title numbers where registered. Where land is unregistered, the Council should ensure that appropriate evidence of ownership (such as title deeds or conveyancing documents) is securely retained and appropriately referenced within the asset register.</p>
<i>Are copies of licences or leases available for assets sited at third party property?</i>	Yes	Licences were provided to the internal auditor.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register was reviewed by the Council at meetings held on 17 September 2025 and 18 February 2026.
<i>Cross checking of insurance cover</i>	Yes	At a meeting of Council held on 17 September 2025, the Council reviewed both its insurance cover and its asset register ensuring appropriate cover was provided.

Section 12 – Assertion 10		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners' Guide 2025.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹²</i>	Yes	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	Yes	The Council published a Model Publication Scheme on the Council's website detailing the type of information the Council holds and how it will make it available to the public. The document was approved by the Council at a meeting held on 16 July 2025.
<i>Is the Council compliant with the General Data Protection Regulation requirements?¹³</i> <i>Councils must:</i> <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> 	Partially	The Council has taken steps to address its obligations under the UK General Data Protection Regulation (UK GDPR), including the adoption of relevant policies during the year. The following documents were evidenced on the Council's website: <ul style="list-style-type: none"> • Retention of Documents and Records Management Policy adopted 17 September 2025 • Privacy Policy reviewed July 2025 • Subject Access Request Policy reviewed July 2025 • Data Protection and Information Management Policy reviewed July 2025 • Data Consent Form However, no evidence was provided to demonstrate that further key elements required to support effective data protection compliance have been implemented. In particular, no evidence was provided of: <ul style="list-style-type: none"> • Data Protection Impact Assessments (where required) • a Data Audit or Record of Processing Activities.

¹² Data Protection Act 2018

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

		<p>RECOMMENDATION: The Council should undertake a Data Audit and establish and maintain a record of processing activities. The Council should also ensure that Data Protection Impact Assessments are completed where required and may wish to consider providing periodic data protection training for Councillors and staff.</p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Yes</p>	<p>The Council is aware of the requirements of the Local Government Transparency Code 2015, as evidenced by its consideration of the Code at its meeting held on 18 March 2026.</p> <p>Whilst there is no statutory requirement for the Council to comply with the Transparency Code 2015 (as its income/expenditure falls below £200,000), it is regarded as best practice for authorities within this range to work towards its provisions.</p> <p><i>COMMENT: the Council may wish to review its current publication arrangements against the requirements of the Transparency Code 2015 and consider taking steps towards fuller compliance, as a matter of best practice, to enhance transparency and public accountability.</i></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p>	<p>Yes</p>	<p>As seen on the Council's website, an accessibility statement has been published and is compliant with WCAG 2.2.</p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>Partially</p>	<p>The Council's accessibility statement refers to testing carried out on 2 March 2026, however no supporting report or details of identified issues and any remedial actions were available for review.</p> <p>The Clerk advised that testing was undertaken by the Council's website provider; however, no documentary evidence has been retained by the Council to support this. As internal audit is evidence-based, the absence of retained documentation means that compliance cannot be verified.</p> <p>RECOMMENDATION: The Council should ensure that website accessibility testing is undertaken at least annually and that appropriate evidence is obtained and retained, such as testing reports</p>

¹⁴ Website Accessibility Regulations 2018

		or confirmation from the website provider, together with records of any issues identified and actions taken. This should be made available to the internal auditor upon request to support verification of compliance with accessibility regulations and ongoing monitoring of the website.
<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	The Council operates with a.gov.uk email address for the Clerk and Councillors demonstrating that the Council has an official status thereby building trust, credibility and authenticity.
<i>Does the council have an IT policy that is tailored to the council?¹⁶</i>	Partially	<p>The Council has confirmed that an IT Policy has been drafted; however, this has not yet been formally adopted. The minutes of the meeting held on 18 March 2026 record that the draft IT Policy, required to support compliance with Assertion 10, was not presented for approval but will be brought forward to a future meeting (May 2026).</p> <p>It is therefore noted that the policy is not yet formally in place; however, the Council has identified this and is taking steps to address the matter.</p> <p>RECOMMENDATION: The Council should proceed with the formal adoption of the IT Policy at the earliest opportunity and ensure it is subject to periodic review.</p>

¹⁵ Practitioners Guide

¹⁶ Practitioners Guide

Section 13 – Internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 March 2025 was formally considered by and approved at the meeting of the Council on 18 June 2025.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	No	The internal audit report for 2024-2025 identified that Terms of Reference for the Staffing Committee had not been evidenced and recommended that the Council formally adopt Terms of Reference for its committees. <i>COMMENT: Whilst the Council resolved to approve the actions identified, no evidence was found in the minutes to confirm that this recommendation has been implemented. It has therefore not been possible to verify that appropriate action has been taken in respect of this matter.</i>
<i>Has the Council confirmed the appointment of an internal auditor?¹⁷ Has the letter of engagement been approved by full council?¹⁸</i>	Yes	SALC were appointed as the Council’s internal auditors for the year ending 31 March 2026 at the meeting of 16 July 2025. The Council later confirmed the letter of engagement at a meeting held on 18 February 2026. The Council has understood the requirement to ensure that it has a clear understanding of the roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.

¹⁷ Practitioners’ Guide

¹⁸ Practitioners’ Guide

Section 14 – External audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?¹⁹</i>	Yes	At the meeting of the Council held on 15 October 2025, the Council considered the report from the external auditor for the year ending 31 March 2025. The Notice of Conclusion was seen on the Council’s website.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	There were no matters which come to the attention of the external auditor which have cause for concern that relevant legislation and regulatory requirements had 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.*

Section 15 – Additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ²⁰	Yes	The Annual Meeting of the Council was held on 21 May 2025 and the first item on the agenda was the election of Chair.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ²¹	Partially	<p>The Council is aware of its obligations under Schedule 12, paragraphs 41(1) and 44 of the Local Government Act 1972, which require that minutes are formally approved (with any necessary amendments) at the next meeting and signed by the Chair. This process is evidenced in the Council's minutes.</p> <p>However, the Council's minutes are not consecutively numbered. As the minutes are maintained in loose-leaf format rather than in a bound volume, the absence of consecutive numbering reduces assurance that the record is complete, has not been altered, and forms a continuous and reliable record of the Council's proceedings.</p> <p>RECOMMENDATION: The Council should implement a system of consecutive numbering for its minutes, particularly where these are maintained in loose-leaf format, to ensure the completeness and integrity of the official record.</p>
<i>Is there a list of members' interests held?</i>	Yes	The Register of Interests for all current Councillors is available from a direct link from the Council's website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	Yes	<p>The Council is the sole trustee of the Acton Field Trust. The Trust is managed by a separate committee, with minutes published on the Council's website. Trust transactions are held separately and are excluded from the Council's accounts.</p> <p>However, in Section 1 of the draft Annual Governance Statement (Assertion 9), the Council has indicated that the requirement relating to trust funds is</p>

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

		<p>not applicable. As the Council acts as the sole managing trustee of a trust, this assertion is applicable and should not have been marked as 'Not Applicable'.</p> <p>Proper Practices require that, where a Council is a sole managing trustee, it must confirm that it has discharged its responsibilities in respect of the trust, including financial reporting and, where required, independent examination or audit.</p> <p>RECOMMENDATION: The Council should ensure that the Annual Governance Statement is completed accurately, with Assertion 9 completed appropriately to reflect its role as sole trustee.</p>
<i>Is there evidence that electronic files are backed up?</i>	Yes	<p>The Council uses a system whereby a back-up of the Council's data is taken and stored appropriately by the Clerk, as detailed in the Risk Management Plan.</p>
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	No	<p>The internal audit report for 2024-2025 identified that Terms of Reference for the Staffing Committee had not been evidenced and recommended that the Council formally adopt Terms of Reference for its committees.</p> <p>The minutes of 18 June 2025 record that the Council received the internal audit report, noted the recommendations, and resolved to approve the actions identified. However, a review of the Council's minutes does not identify any subsequent resolution to adopt Terms of Reference for the Staffing Committee, nor any reference to this recommendation being implemented.</p> <p>In addition, the internal audit checklist response provided indicates "N/A" in respect of Terms of Reference for committees. If the Staffing Committee has been disbanded (or is no longer operating), this should be clearly evidenced by a formal resolution of the Council and recorded in the minutes. No such evidence was identified.</p> <p>It is therefore not possible to confirm whether Terms of Reference are in place for all committees, or whether the Staffing Committee remains in existence.</p>

		RECOMMENDATION: The Council should ensure that Terms of Reference are formally adopted for all committees and that these are reviewed periodically. Where committees have been disbanded, this should be formally resolved and clearly recorded in the minutes to provide a clear audit trail.
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Signed: *Sharon G. Smith*

Date of Internal Audit review: 24 April 2026

Date of Internal Audit Report: 24 April 2026

On behalf of Suffolk Association of Local Councils