Report to Saxtead Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2026

1. Introduction and Summary.

1.1 The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, focussed upon the adequacy of the Council's systems of internal control and the effectiveness of the Council's financial administration, including the End-of-Year Accounts for 2025/26.

1.2 The Internal Auditor met the Council's Clerk/RFO, Peter Grogan, on 21 April 2026 to receive the documentation for the audit. A draft Annual Governance and Accountability Return (AGAR) had been prepared.

1.3 By examination of the 2025/26 accounts and supporting documentation the following was confirmed by the Internal Auditor:

Total Receipts for the year:	*£12,484.73*
Total Payments in the year:	*£10,466.50*
Total Reserves at year-end:	*£8,869.94*

1.4 The Annual Governance and Accountability Return (AGAR) was prepared and the following figures were agreed with the Clerk/RFO for display in Section 2 Accounting Statements 2025/26 (rounded for purposes of the Return):

Balances at beginning of year (1 April 2025):	*Box 1: £6,852*
Annual Precept 2025/26:	*Box 2: £9,000*
Total Other Receipts:	*Box 3: £3,485*
Staff Costs:	*Box 4: £4,949*
Loan interest/capital repayments:	*Box 5: nil*
All Other payments:	*Box 6: £5.518*
Balances carried forward (31 March 2026):	*Box 7: £8,870*
Total cash/short-term investments:	*Box 8: £8,870*
Total fixed assets:	*Box 9: £6.646*
Total borrowings:	*Box 10: nil*

1.5 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2025/26 within the AGAR.

1.6 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the Audit Plan. Comments and any recommendations arising from the review are made below.

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2. Governance, Standing Orders, Financial Regulations and other Regulatory matters *(examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).*

2.1 The Annual General Meeting of the Parish Council was originally due to take place on 8 May 2025. However, as there were only 3 Elected Councillors present, the Clerk/RFO advised that the meeting was not quorate and that no further business could be conducted as no votes would be valid. There was a clear need to establish another meeting to elect a Council Chair and Vice Chair, approve the Final Accounts and the approval of the audit and AGAR for 2024/25. It was agreed that an Extraordinary meeting, to include the AGM, would be held in early June 2026.

2.2 At the meeting on 5 June 2025 the first items of Parish Council business were the Election of a Chair and Deputy Chair. The Clerk was re-appointed as the Council's RFO and representatives for the Council and an Examining Councillor were appointed. At the meeting on 19 November 2025 a new Examiner, Councillor Slater, was appointed following the resignation of Councillor Handley.

2.3 A Responsible Financial Officer (RFO) is in place. At an Extraordinary meeting on 27 November 2024 the Council agreed the appointment of a paid Clerk/RFO, Peter Grogan, following the interviews held on 14 November 2024.

2.4 The Council's Standing Orders reflect the latest model Standing Orders published by the National Association of Local Councils (NALC). A copy has been published on the Council's website.

2.5 Financial Regulations are in place and are similarly based on the Model Financial Regulations published by NALC. A copy has been published on the Council's website.

2.6 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council. The Clerk/RFO confirmed that each page of the Minutes is signed/initialled by the Chair of the meeting at which the Minutes are approved.

2.7 The Council maintains a range of formal policies and procedures which are published on the Council's website. These include a Freedom of Information Policy, Disciplinary Procedure and a Protocol for Recording Meetings.

2.8 At the meeting on 20 August 2025 the Council considered and adopted a Safeguarding Policy, an Equal Opportunities Policy and a Health and Safety Policy all of which are published on the Council's website.

2.9 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA319355, expiring 18 March 2027).

2.10 The Council reviewed and adopted the Data Protection Policy and the Data Publication Policy and Privacy Policy at its meeting on 9 May 2024 to assist compliance with the General Data Protection Regulations (GDPR). Similarly, the

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Information Commissioner's Model Publication Scheme was adopted by the Council at the meeting held on 12 March 2026.

2.11 At the meeting on 5 June 2025 and again on 18 September 2025 the Council demonstrated good practice by re-affirming its commitment to the Local Government Association (LGA) Model Councillor Code of Conduct and adopting the document which details the requirements and responsibilities placed upon each individual Councillor. A copy of the Code has been published on the Council's website.

2.12 A new Assertion 10 applies to the Annual Governance and Accountability Return (AGAR) for the financial year beginning 1 April 2025. Assertion 10 will require councils to use a council-owned domain for email and to operate an accessible website and have an IT Policy in place. The Assertion 10 also explicitly requires parish and town councils to comply with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 and process personal data lawfully, fairly, and in line with UK GDPR principles.

2.13 At the meeting on 19 November 2025 the Council considered the obligations under GDPR and the new Assertion 10 and adopted an IT Policy.

2.14 To be fully compliant with the new Assertion 10 to the Annual Governance Statement (AGS) a local council must:

a) Use a council-owned domain (The Council has the domain of .gov.uk)
b) Operate at least one generic email account on the council owned domain (the Council has clerk@saxtead-pc.gov.uk).
c) Ensure the website is accessible (the Council's website host (Suffolk Cloud) confirms on its accessibility statement that the website complies to WCAG 2.2 AA standards).
d) Adopt a formal IT Policy covering data protection and device usage (The Council has an IT Policy in place).

2.15 The Clerk/RFO has confirmed and provided evidence that the above requirements have been met. The Council has a Data and Document Retention Policy in draft form and this is due to be considered and adopted at a future meeting of the Council. Overall, the Council has demonstrated proper governance of its digital presence and it is considered that the Council has taken sufficient action to be able to provide positive affirmation to Assertion 10 in the AGS.

3. Accounting Procedures and Proper Book-keeping *(examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting).*

3.1 The Cashbook Spreadsheet was found to be well referenced and facilitates an audit trail to the Bank Statements, on-line payments and the financial information prepared by the Clerk/RFO. A sample of invoices and vouchers supporting Payments was examined and found to be in order.

3.2 No payments made under the Local Government Act 1972 (Section 137) are recorded in the accounts.

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3.3 VAT payments are tracked and separately identified in the Spreadsheet for future reclaims from HMRC. Relatively small amounts of VAT are being paid and HMRC requires reclaims to be over £100. The most recent re-claim to HMRC was for £463.42 VAT paid during the period 1 April 2023 to 31 August 2024, submitted to HMRC on 23 September 2024 and received at bank on 26 September 2024.

3.4 An Explanation of Variances (explaining significant differences in receipts and payments between the years 2024/25 and 2025/26) is being prepared by the Clerk/RFO for publication on the Council's website.

4. Bank Reconciliation *(Regularly completed and cash books reconcile with bank statements).*

4.1 Bank Reconciliations were presented to the Council during the 2025/26 year of account.

4.2 The bank statements as at 31 March 2026 totalled £8,869.94 and related to the Barclays Community (Current) Account (£2,807.72) and the Barclays Business Premium (Deposit) Account (£6,062.22) and reconciled with the End-of-Year Accounts and agreed with the overall Bank Reconciliation.

5. Year End procedures *(Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).*

5.1 End-of-Year accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

6. Internal Control and the Management of Risk *(Review by the Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly).*

6.1 At its meeting on 19 November 2025 the Council reviewed and approved the Risk Assessment documentation. The document was signed by the Chair in confirmation of the approval.

6.2 The Risks are identified within the document, with a risk level of H/M/L given to each. The Management of Risk and the Internal Controls in place to mitigate the risks involved are displayed with any staff action taken or required.

6.3 The Council accordingly complied with Regulation 4 of the Accounts and Audit Regulations 2015 which requires a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for management of risk, with the review suitably Minuted.

6.4 Insurance was in place for the year of account. At its meeting on 19 November 2025 the Council ratified the payment of £410.78 made to Ansvar Insurance for the insurance cover for the year 1 October 2025 to 30 September 2026. Employers Liability cover and Public Liability cover each stand at £10m. The Councillor/

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Employee Dishonesty (Fidelity Guarantee) cover stands at £25,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

7. Budgetary controls (Verification of the budgetary process with reference to Council Minutes and supporting documents).

Precept 2025/26: £9,000 (16 January 2025, Minute 8.1 refers).

Precept 2026/27: £9,300 (19 November 2025, SPC/25/11/84e refers).

7.1 At the meeting on 16 January 2025 the Clerk/RFO advised the Council that there was no draft budget for the 2025/26 year, However, after discussion of the Council's financial position and likely projections, the Council concluded that a precept of £9,000 would be appropriate. The Clerk/RFO would submit the Precept request form and work up a Budget for 2025/26 as soon as is practicable.

7.2 At the meeting on 20 March 2025 the Council considered a Budget for 2025/26 but was unable to provide approval. Following discussions over the treatment of the Earmarked Reserve (EMR) for the speed restriction works and the £1,000 promised by the Townland Trust, the Budget was to be deferred to an Extraordinary meeting in April 2025. The Budget for 2025/26 was subsequently agreed by the Council at its meeting on 3 April 2025.

7.3 The Budget and Precept for the year 2026/27 was considered and agreed by the Council at its meeting on 19 November 2025. The Council agreed to set a Precept for 2026/27 of £9,300, representing a 3.3% increase over the previous year. The Council discussed the Precept for future years and resolved that it should follow the UK CPI as agreed by Government unless there were extraordinary reasons for a larger rise; this should allow for the accommodation of reasonable price rises.

7.4 Budgetary controls were in place in the year. At the meeting on 17 July 2025 the Council received and approved the 1st Quarter financial monitoring report. Similarly, at the meeting on 19 November 2025 the Council received and approved the 2nd Quarter financial monitoring report. The 3rd Quarter monitoring report presented to the Council on 8 January 2026 required clarification and was amended and brought back to Council on 12 March 2026.

7.5 The Clerks/RFO ensures that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves.

7.6 The Overall Reserves at the year-end 31 March 2026 totalled £8,870 of which an amount of £3,510 was earmarked as follows:

Amenity Fund:	£54
Tour of Britain Fund:	£73
Asset Maintenance:	£500
Speed Reduction:	£2,883

7.7 The General Reserves (Overall Reserves less Earmarked Reserves) accordingly totalled £5,360 as at 31 March 2026 (57% or 7 months equivalent of the 2026/27

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Precept) and is in line with the generally accepted position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure/Precept (the SAPPP Practitioners' Guide, Item 5.34 refers).

7.8 As at 31 March 2026 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense.

8. Income Controls *(regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms).*

8.1 Receipts are reported to the Council and recorded in the Minutes of the Council's meetings. Receipts totalling £12,484.73 were received in the year and consisted of the Precept (£9,000), Celebrating Saxtead Event (£2,232.90), Tour of Britain Race Grant (£500), Townland Trust Grant (£407.91), Car Boot Sale (£281.70), Bank Interest Received (£62.22).

9. Petty Cash *(Associated books and established system in place).*

9.1 A Petty Cash system is not in use. An expenses system is in place, with on-line payments being made out for expenses incurred.

10. Transparency Code *(Compliance for smaller councils with income/ expenditure under £25,000).*

10.1 Under the provisions of the Transparency Code, Saxtead Parish Council can be designated as a 'Smaller Council'.

10.2 The Council's website is: *saxtead-pc.gov.uk*

10.3 Smaller Councils should publish on their website:

a) ***All items of expenditure above £100.*** Payments included within published Minutes of Council meetings.
b) ***Annual Governance Statement: 2024/25 AGAR Annual Return Section One*.** Published on website.
c) ***End-of-Year accounts: 2024/25 AGAR Annual Return, Section Two*.** Published on website.
d) ***Annual Internal Audit report within 2024/25 AGAR Annual Return.*** Published on website.
e) ***List of councillor or member responsibilities.*** Published on website.
f) ***The details of public land and building assets (Asset Register).*** Published on website.
g) ***Minutes, agendas and meeting papers of formal meetings.*** Published on website.

10.4 The Council is complying with the requirements of the Transparency Code.

10.5 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 require the Council to publish a 'Notice of Public Rights and

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Publication of Annual Governance and Accountability Return (Exempt Authority)' on a publicly accessible website. The Internal Auditor was able to confirm that a document for the year 2024/25 was readily accessible on the Council's website and displayed the Date of Announcement, Details of Person to contact to view the accounts, Dates of Inspection Period and the Details of the person making the announcement.

10.6 The remaining documents required to be published, as listed in the AGAR Page 1 Guidance Notes (including Certificate of Exemption, bank reconciliation and analysis of variances) were confirmed as easily accessible on the Council's website.

11. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment).*

11.1 Payroll Services are operated by the Suffolk Association of Local Councils (SALC) on behalf of the Council in accordance with HMRC requirements. Detailed payslips are produced. A copy of the End-of-Year form P60 for the Clerk/RFO was presented to the Internal Auditor. The Council displays good practice in using the services of a third party to calculate Pay and PAYE amounts. SALC performs this service for a reasonable cost.

11.2 A Contract of Employment is in place for the current Clerk/RFO. It is dated 1 December 2024, the date on which the employment took effect. The contract details the working hours, the salary Scale Point that applies and the pro-rata salary and conditions of service. A signed copy of the Contract was presented to the Internal Auditor.

11.3 At the meeting on 18 September 2025 the Council noted the 2024/25 national pay award to local government officers and approved the salary award for the Clerk/RFO, back dated from April 2025.

11.4 With regard to the re-declaration of compliance that has to be submitted to the Pensions Regulator to comply with the Pensions Act 2008, SALC submitted the re-declaration on 12 August 2025. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

12. Assets Controls *(Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover).*

12.1 An Asset Register is in place. The Council reviewed and updated the Register at its meeting on 19 November 2025.

12.2 As at 31 March 2026 the Register displays a value of £6,646, a small reduction from the value as at the end of the previous year and reflects the removal of an A-Frame and a Tea Urn. The value has been entered into Box 9 of Section 2 of the AGAR.

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12.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year.

13. Internal Financial Controls, Payments Controls and Audit Procedures *(Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).*

13.1 The Council has satisfactory internal financial controls in place. Councillors are provided with information to enable them to make informed decisions. The Clerk/RFO provides financial reports to Council meetings, including details of bank statements and bank reconciliations.

13.2 The Council demonstrates good financial practice through the appointment of an Examining Councillor who signs off the payments presented to Council.

13.3 Receipts and Payments are listed in the Council's Minutes as part of the overall financial control framework. A document is attached to each invoice displaying the amount and purpose of the payment, the supplier's VAT number where relevant, with confirmation from First and Second Signatories that all requirements have been met. The document is then approved and signed and dated by the Examining Officer at the meeting where the payment is agreed. In addition, Cashbook reference numbers are noted on the paid invoices/vouchers to assist the verification of the payment.

13.4 The Council considered and approved an On-line Payment Protocol at its meeting on 16 January 2025. The Protocol provides that the Council uses Barclays bank for on-line payments; the usual process involves the Clerk/RFO setting up the payments and a Councillor authorising them. Both the Clerk/RFO and Councillor have Barclays secure on-line access. A copy of the Protocol has been published on the Council's website.

13.5 The Council reviewed and approved the Internal Audit report for the year 2024/25 at the meeting held on 5 June 2025. The Council considered the following recommendations put forward in the Report and the action taken by the Clerk/RFO:

a) *Review and Update Standing Orders 2025*: The Clerk had updated the Standing Orders in accordance with NALC recommendations for 2025. They had been circulated prior to the meeting.
b) *Review and Update Financial Regulations 2025*: The Clerk had updated the Financial Regulations in accordance with NALC recommendations for 2025. They had been circulated prior to the meeting.
c) *Ensure the main copy of the Contract of Employment is signed by both parties to provide that an authentic and legal contract is in place:* The Clerk had located a copy of the signed contract and confirmed all was in order.
d) *Update the contact address in the Information Commissioner's Data Protection Certificates:* The Clerk/RFO confirmed this had been done.
e) *Adopt a domain address of gov.uk:* The Council agreed that this should be done.

13.6 The Internal Auditor for the 2025/26 year was appointed by the Council at its meeting on 12 March 2026.

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14. External Audit *(Recommendations put forward/comments made following the annual review).*

14.1 An External Audit was not required in the year 2024/25. At its meeting on 5 June 2025 the Council agreed to complete the Certificate of Exemption from a Limited Assurance Review for that year.

14.2 Similarly, as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ending 31 March 2026, the Council is able to certify itself exempt from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015. The Council can accordingly prepare a Certificate of Exemption from a Limited Assurance Review for the year 2025/26, for submission within the due date to PKF Littlejohn LLP.

15. Additional Comments.

15.1 I would like to record my appreciation to the Clerk/RFO to the Council for his assistance during the course of the audit work.

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Internal Auditor

26 April 2026

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