

Internal Audit Report for DEBENHAM Parish Council for the year ending 31 March 2025

Clerk	Brian Mansfield (since March 2025)
RFO (if different)	Brian Mansfield (post November 2024)
Chairperson	Councillor Frankie Winrow-Giffin
Precept	£ 88,770.00
Income	£283,054.04
Expenditure	£236,119.30
General reserves	£ 88,006
Earmarked reserves	£158,680
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 2024/25 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 – proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council continues with it’s of the Rialtas Financial Software accounting package which produces a suite of tools to allow for reporting on an Income and Expenditure basis. The financial software used by the Council allows the automation of many of its transactions involving income and expenditure and employee payroll, as well as reports and financial statements.
<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 above the threshold of £200,000 and has been for two (2) continuous years. Council currently operates on a Receipts and Payments basis. Recommendation: council is advised to monitor its level of gross income and expenditure for the year under review as, if it continues to operate above this limit for the coming year, it will need to convert to reporting on an income and expenditure basis with adjustments at year end. In accordance with current rules to ensure that there is a like for like comparison between the two years, the prior year would need to be restated.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a monthly basis, regularly verified against bank statements and contains entries from day to day of all sums of money received and expended by the council along with matters to which the income and expenditure relates.
<i>Is the arithmetic correct?</i>	Yes	Spot checks were made and were found to be correct.
Additional comments:		

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	<i>Work required</i>	Council's Standing Orders, as seen on the website, were reviewed and adopted at a meeting of 14 th April 2025. They are however based on the model published by the National Association of Local Councils (2018) as amended in 2022. <i>Comment: Council should note that NALC have updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with our Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. NALC have also changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project. Council should aim to adopt these updated Standing Orders as soon as possible.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Council's Financial Regulations were also reviewed at the full council meeting of 14 th April 2025. The reviewed regulations are based on those produced by NALC in March of this year and relate to changes necessitated by the Procurement Act 2023.
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	The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. Council's Financial Regulation 1.5 confirms that the clerk is so appointed.

¹ Section 151 Local Government Act 1972 (d)

		<i>Comment: confirmation was given that the current clerk was appointed initially as RFO in November 2024 with the s151 function being undertaken by the previous Parish Clerk and Councillors.</i>
Additional comments:		

<p>Section 3 – Payment controls The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>	
<p>Evidence</p>	<p><i>Internal auditor commentary</i></p>
<p>Is there supporting paperwork for payments with appropriate authorisation?</p>	<p>Yes</p> <p>In accordance with its own Financial Regulations covering Banking and payments, expenditure is presented to council on a monthly basis for review and authorisation for payment is made by resolution. Council has ensured that, for the settlement of its invoices by the BACS system, and in accordance with Financial Regulation 7.1, there is a two-tier authorisation system which ensures that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. A review of the procedures followed for receipt of invoices, agreement of invoice detail and confirmation of goods or services delivery along with approval for payments was undertaken on a sample of individual payments. In the actions undertaken in committing the council’s resources, Council is operating within Financial Regulations 7.1 through to 7.12.</p> <p><i>Comment: with reference to council’s own Financial Regulation 6.7 payments made in relation to a continuing contract or obligation (which have been authorised in advance) are reported to the next appropriate meeting of the council for information only.</i></p> <p>Recommendation: to ensure transparency for future readers, council is advised to comply with Financial Regulation 6.10 and ensure that the detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.</p> <p>During the year under review, the council invited specific firms to quote for the refurbishment of the Recreation Ground in Debenham. Usually, and in accordance with council’s own financial regulations, a council is required to advertise the opportunity on Contracts Finder if they publish an open</p>

		<p>invitation to quote/tender. If they choose to invite specific firms to quote and are not opening it up to wider competition, they don't have to advertise the opportunity on Contracts Finder (Public Contracts Regulations 2015, Reg. 110(5)(b). However, regardless of whether the opportunity was advertised, Regulation 112 requires a council to publish the award of a contract over £30,000 on Contracts Finder within a reasonable timescale.</p> <p>Recommendation: Once a contract has been awarded contracting authorities are required to publish at least the following information on Contracts Finder. It is recommended that this information is published in the Award Details section:</p> <ul style="list-style-type: none"> i. the full company name of the winning contractor; ii. the date on which the contract was entered into; iii. the total value of the contract in pounds sterling.
<p>Where applicable, are internet banking transactions properly recorded and approved?</p>	<p>Yes</p>	<p>Council continues with its procedure, in accordance with Council's Financial Regulation 7.1, of retaining a two-tier security system for payments which are settled by the BACS system. In the case of BACS payments, the RFO may set up transactions online for approval in advance, once the Council approves the accounts for payment, two bank signatories shall authorise the transactions online using their own unique ID. The system ensures that two authorised bank signatories sign the instructions for each payment.</p> <p><i>Comment: the system in place not only protects the RFO and fulfils an internal control objective to ensure the safeguarding of public money, but it also allows the council to have in place specific control procedures for payments by bank transfer or other electronic means and a process and mitigating action to protect the council against payment of invoices which may show fraudulent bank account details.</i></p> <p>Council is reminded that Financial Regulation 7.10 states that the approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.</p> <p><i>Comment: at the next annual meeting of the council it should resolve to approve the continued use of the BACS system. In a similar vein, council should approve, in accordance with Financial Regulation 7.9 the use of variable direct debit for the settlement of regular payments.</i></p>
<p>Is VAT correctly identified, recorded, and claimed within time limits?</p>	<p>Yes</p>	<p>VAT is identified in the cash book and reclaimed on an annual basis. The VAT Assessment File as produced by the accounting package operated by</p>

		<p>the RFO was reviewed and verified. The year-end recoverable VAT figure of £26,637.94 was seen and interrogated and reflects that which was reclaimed after year-end. It is also confirmed that the VAT reclaim for the year ending 31st March 2024 in the sum of £11,921.10 was also submitted after the year-end.</p> <p>During the year under review, reclaims were submitted and settled in February 2025 (£1,964.91 for the period to April 2021) and £19,027.16 for the period ending 31st March 2023).</p> <p>The Internal Auditor undertook sample tests to ensure that the VAT element within payments is being clearly identified and appropriately accounted for within the accounting system. For the period under review, the Finance Officer has ensured that VAT has been appropriately identified in relation and correctly coded according to the council's business and non-business activities within the financial records of the software used thereby confirming that robust arrangements are in place for managing its responsibilities regarding VAT.</p> <p><i>Comment: for the year 2024-2025 VAT has been appropriately identified in relation and correctly coded according to the Council's business and non-business activities within the financial records of the software used by council and the Council now has robust arrangements in place for managing its responsibilities regarding VAT.</i></p>
<p>Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly?²</p>	<p>Yes</p>	<p>Council, having declared that it fulfilled the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)), resolved at the meeting of 15th May 2023, to use the power until the next relevant Annual Council Meeting (May 2027). Council continues to ensure that the Grant Scheme offered by the Council has clear evidence supporting requests and payments made.</p>
<p>Are payments under s.137³ separately recorded, minuted and is there evidence of direct benefit to electorate?</p>	<p>N/A</p>	<p>Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.</p>

² Localism Act

³ 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 £10.81 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 such loans.
<i>Additional comments:</i>		

Section 4 – 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	
<p><i>Is there evidence of risk assessment documentation?</i></p>	<p>Yes</p> <p>At the meeting of 18th March 2024, full council formally reviewed and approved its Risk Management Documents and Procedures for the year 2024 – 2025. Council is aware that its risk assessment needs to focus on the safety of the parish council’s assets and in particular its money, and that it needs to demonstrate on an annual basis that it has taken actions to identify and assess those risks and that it has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.</p> <p><i>Comment: council has ensured that it has annually reviewed the risks associated with the functioning of a smaller relevant body and that it has ensured that measures are fully utilised throughout the year to provide assurance to members that there is a robust system in place which is effective and adequate for preventing members from approving or authorising fund transfers that are not supported by appropriate documentation.</i></p>
<p><i>Is there evidence that risks are being identified and managed?</i></p>	<p>Yes</p> <p>A review of the Council’s financial risk assessment documentation shows that there are in place specific control procedures for payments made by direct bank transfer, which, if reviewed on a regular basis, will provide reassurance that the Council has taken steps to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences. Council has shown best practice by ensuring that it conducts control and compliance tests of the systems in operation by a non-signatory, thereby separating the roles of overview from that of authorisation. Appropriate mitigation measures are in place to address the risks associated with the management of public finances.</p> <p><i>Comment: Council has noted that in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, it should conduct a formal review of</i></p>

		<i>its system of internal control and should have in place monitoring documents which would identify the risks involved with and the potential for improvements to its arrangements to protect public money.</i>
<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	<p>During the period under review, council had insurance in place under a Local Councils policy with Clear Council which shows core cover for the following: Public liability: £10million; Employers Liability: £10million and Fidelity Guarantee of £250thousand.</p> <p>Recommendation: council is advised to review the level of Fidelity Cover as guidance recommends that the Fidelity Cover is sufficient to provide cover that was 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 thereby reducing the council’s exposure to the risks associated with the handling of money, securities and property. Given the levels of finances that the council will be holding in April, this sum is unlikely to be sufficient.</p> <p>During the year, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, annual reviews of the council’s insurance were undertaken prior to renewal. From paperwork seen, council 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), and has satisfied itself that there are no materials facts which might influence the acceptance or assessment of the risks covered by the policy.</p>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	<p>Confirming that the council is operating within its own internal control, formal evidence (via a minute reference) was given at the meeting of full council on 18th March 2024 via the adoption of a Statement of Internal Control for the year ending 31st March 2025. Council is therefore acting in accordance with Regulation 6 of the Accounts and Audit Regulations 2015 and has understood the requirement to undertake a formal review of its internal controls to enable it to demonstrate that it has taken steps to identify, assess</p>

⁴ Accounts and Audit Regulations

		and record the control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances.
<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 appointment⁵</i>	Yes	In accordance with the Accounts and Audit Regulations 2015, the council formally reviewed the scope and effectiveness of its internal audit arrangements, as well as the competence and independence of those conducting the internal audit review. <i>Comment: the review of the terms of reference and effectiveness of internal audit are demonstration that Council has understood that the role of internal audit is to evaluate and report on the adequacy of the system on internal control.</i>
Additional comments:		

⁵ Practitioners Guide

Section 5 – 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	<p>The budget for the year 2024 - 2025 was approved at the council meeting of 5th February 2024 although the minutes fail to confirm the budget being set. From paperwork seen the budget being set was £132,157.</p> <p>The budget for the year 2025 - 2026 was approved at the Council meeting of 20th January 2025 with council approving a revenue budget of £112,322.</p> <p><i>Comment: in accordance with proper practices, council has latterly sought to evidence, within the minutes, the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept for the year 2024 – 2025 was discussed and approved at the meeting of 5th February 2024 with the minutes demonstrating that council resolved to set the precept at 88,770, which would represent a 4.99% increase. This would equate to a Band D property paying £101.71 per year towards the parish precept, an increase of 4.83p over that set for the previous year.</p> <p>The precept for the year 2025 – 2026 was set at the meeting of 20th January 2025 with the minutes confirming that the council would set the precept at £91,166.</p> <p><i>Comment: in accordance with best practice and to ensure transparency, council is advised to consider expanding the minutes to demonstrate the impact the precept being levied would have on a Band D dwelling in monetary as well as percentage terms when compared with that set for the previous year.</i></p>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	<p>The minutes evidence that, post November 2024 the council conducted reviews covering the budgets for the current year with a review of income and expenditure against budget at relevant periods throughout the year. Monitoring statements produced include breakdown of all receipts and payments balance against the bank. Prior to November 2024, it is confirmed</p>

		<p>that the monitoring process was limited to a review of the bank statements versus actual expenditure incurred and income received. <i>Comment: Council in accordance with its own standing order 17c, the RFO is aware of the timescales by which regular statements should be produced showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with council's own Standing Orders and Terms of Reference.</i></p>
<p><i>Reserves held – general and earmarked⁶</i></p>	<p>Yes</p>	<p>The Council, as at year-end, had Earmarked Reserves totalling £158,680 and General Reserves of £88,006. Council has, within its own Reserve Policy, (as reviewed and adopted by Council at its meeting in April 2024) has stated that the level of general reserves be reviewed on an annual basis during the annual budgetary review and agreed by the Parish Council. The minimum level of General Reserves shall be recommended to the Parish Council by the Responsible Financial Officer. This will form part of the recommendations for the Annual Budget and Precept request by the Parish Council. The adopted policy does not define a level but draws reference to the generally accepted recommendation with regards to the appropriate minimum of between three (3) and twelve (12) months of net revenue expenditure. <i>Comment: Council might wish to be aware of guidance as issued by Proper Practices (March 2025), which states that it is regarded as acceptable for an authority with income and expenditure in excess of £200,000 to plan towards 3 months equivalent general reserve and that those councils with self-generated income, should take into account situations that may lead to a loss of revenue as well as increased costs.</i> Whilst there is no upper or lower limit to EMRs, save only that they must be held for genuine and identifiable purposes and projects, council has ensured that the levels set are subject to regular review and justification (at least annually and at budget setting) and that they are separately identified and enumerated.</p>
<p>Additional comments:</p>		

⁶ 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

Section 6 – income controls	
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.	
Evidence	
Internal auditor commentary	
<p><i>Is income properly recorded and promptly banked?</i></p>	<p>Yes</p> <p>During the year under review, Council received income from a number of identified sources all of which was banked intact with the transactions identified within the accounting system operated by the Council and RFO. As a Burial Authority and in accordance with proper practices, Council has ensured that it maintains a formal burial register which is up-to-date and accurately held. It was confirmed that all interments and memorials can be appropriately evidenced, and fees have been charged at the correct approved rate and recovered within a reasonable time.</p> <p>In accordance with Financial Regulation 13.2, Council understands that it should review all fees and charges annually, with increases as deemed appropriate. Full council, at its meeting of 16th September 2024 approved minor revisions to the allotment charges to be set for the year 2025-2026.</p> <p><i>Comment: council is aware that fee reviews are essential to ensure that the council's income module remains competitive as well as ensuring profitability is maintained. This will ensure that the council's revenue streams are fully optimized allowing for adjustments where necessary.</i></p> <p>A sample review of the control fees for the above was undertaken during the internal audit review and all expected income was found to be properly recorded and promptly banked.</p> <p><i>Comment: in accordance with proper practices, Council has ensured that there are appropriate control procedures in place along with documentation to provide a clear audit trail through to invoicing and recovery of all such income.</i></p> <p>Further spot checks during the internal audit visit on further items paid under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Council.</p>
<p><i>Is income reported to full council?</i></p>	<p>Yes</p> <p>A review of the financial transaction reports was undertaken to ensure income was coded to the appropriate nominal income code and all were</p>

		<p>found to be in order with appropriate control procedures and documentation to provide a clear underlying audit trail through to invoicing and recovery of all such income.</p> <p><i>Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of members, or under delegated authority by the Responsible Financial Officer and that such approval should be shown in the accounting records.</i></p>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £88,770 from Mid Suffolk District Council for the period under review in April and September 2024 as reported within the Income and Expenditure Reports for the year under review. 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?⁷</i>	Yes	For the period under review Council received CIL Receipts in the sum of £144,106.82(April) and £12,714.41 (October).
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported to full council, with further analysis within the CIL Project Lists detailing progress against committed funds.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL financial overview report for 2024-2025, as discussed and approved by full council meeting of 19 th May 2025 shows a year-end balance of £91,679.57 which is retained in Earmarked Reserves specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement for 2024-2025 has been produced and presented to full Council for formal approval.
<i>Has it been published on the authority's website?</i>	Yes	The statement for the year ending 31 st March 2025 was confirmed as being present on the council's website and reflects the sums incurred, expended and retained by the council.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

Section 7 – 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	A petty cash system is not operated by the council.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
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 1 employee on its payroll at the period end of 31 st March 2025. Employment contracts were not reviewed during the internal audit visit for the year ending 31 st March 2025, but the Clerk/RFO has confirmed that they have an employment contract. <i>Comment: during the year under review, it is noted that for part of the year, the parish councillors have provided cover for the roles of Clerk and RFO.</i>
<i>Has the Council approved salary paid?</i>	Yes	Council has ensured that salary rates are agreed by council and that no amendments to an employee's gross pay are made without the prior consent of the council.
<i>Minimum wage paid?</i>	N/A	No member of staff is paid 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 associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced. Cross-checks were completed on payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities, but the member of staff is not currently enrolled into the council provided pension scheme.
<i>Have pension re-declaration duties been carried out</i>	Yes	Council's payroll provider has confirmed that the council's re-enrolment is not until 1 st August 2025.

⁸ The Pension Regulator – [website click here](#)

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

Section 9 – 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?⁹</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. The Asset Register currently stands at £376,010.32 and shows overall movement to that declared at the year-end of 31 st March 2024 (£262,648.32) taking into account acquisitions and disposals during the year under review. The Internal Auditor reviewed the Asset Register to allow the spot check to be conducted.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	The RFO has ensured that the council has a formal asset register which is routinely updated to record new assets at historic cost price, net of VAT along with removal of any assets disposed of / no longer serviceable. 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>Comment: This current valuation for assets commonly known as community assets is in line with requirements for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value is recorded, which acts as a proxy value to the original cost and will remain unchanged until disposal.</i>

⁹ Practitioners Guide

<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 review.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council has declared that it does not have any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register was signed off by the council at its meeting of 9 th December 2024 and it is confirmed that the values on the Asset Register seen on the website equal that detailed at Line 9 on the Accounting Statements of the AGAR as approved at the meeting of 19 th May 2025. The council continues to use the preferred value for existing assets as the original acquisition cost and has ensured that the fixed asset value for any individual item will not usually be altered from year to year (unless a material enhancement has taken place). As such the change in the total value for fixed assets (in box 9 of the Council's accounting statements) indicates the acquisition of new assets of significance.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule.
<i>Additional comments:</i>		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the financial reports submitted to full council. 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).
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 st March 2025 agree with the year-end bank statements and at year end stood at £246,686.27 across all accounts held in the council's name. Recommendation: whilst there is prudence in ensuring that protection of the investment is more important than the investment return, council should seek to protect its financial assets and reduce the risks involved in holding sums with one bank and look to the placing of funds within a range of accounts to secure maximum protection under the Financial Services Compensation Scheme. <i>Comment: council should also seek to adopted an Investment Policy & Strategy which should reflect statutory guidance on Local Government Investments (3rd Edition) issued under Section 15(1)(a) of the Local Government Act 2003 and will provide clarity on the strategy to be followed by the council and the risks relating to the specified investments.</i>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Overall there is regular reporting of bank balances within the detailed financial reports submitted to the council. Council continues with the system whereby the monthly reconciled bank accounts are presented to the council appointed Internal Controller ensuring that there is access to not only the reconciliation of the cash book to bank statements but also the underlying background evidence upon which the reconciliation is based.

		<i>Comment: Approval of the bank reconciliation by the authority or an authority nominee is not only good practice but is also a safeguard for the Responsible Financial Officer and fulfils one of the authority's internal control objectives.</i>
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Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</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.
<i>Financial trail from records to presented accounts</i>	Yes	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 AGAR, section 2, line 8. Year-end balances agree with cash book and bank reconciliations.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed and signed by the council at the time of Internal Audit. It should be noted that given its level of income, the Council meets the requirement for an intermediate level review. Details of the additional submission requirements for those meeting this level of review can be found within the Detailed Instructions Update for the year ending 31 st March 2025.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the Council was a smaller authority with gross income and expenditure exceeding £25,000 during the year 2023-2024, it was not able to certify itself as an exempt authority.
<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	The internal auditor is able to confirm that the notice of the public rights was seen on the website and can confirm that the dates set were 3 rd June to 12 th July 2024 with the form dated 30 th May 024. <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.</i>

¹⁰ Annual Governance & Accountability Return (AGAR)

<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>Yes</p>	<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 and published the following for the year 2023/24 on a public website: Section 1 – Annual Governance Statement of the AGAR Section 2 – Accounting Statements of the AGAR Section 3 – The External Auditor Report and Certificate Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015. Notice of Conclusion of Audit Section 3 – External Auditor Report and Certificate Sections 1 and 2 of the AGAR as audited.</p>
<p><i>Additional comments:</i></p>		

¹¹ Accounts and Audit Regulations 2015

Section 12 – 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 year ending 31 st March 2024 was considered and adopted at a meeting of full Council on 15 th July 2024.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	N/A	There were no matters raised that required the completion of a separate audit plan.
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	At the meeting of 17 th February 2024, full council, having reviewed the effectiveness of its internal audit arrangements with full regard to the statutory requirements for internal audit in terms of size, scope and current financial arrangements, resolved to appoint SALC as its internal auditor for the year 2024-25 on the basis of Section 4 of the Accountability and Governance Practitioner’s Guide 2024. The letter of engagement was signed and dated 17 th March 2025.
<i>Has the letter of engagement been approved by full council?</i>	Yes	<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>
Additional comments:		

Section 13 – 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?¹²</i>	No	It does not appear that the External Audit Report and Certificate for the year ending 31 st March 2024 was submitted to and considered by Full Council during the year under review. Recommendation: in accordance with regulation 20 (in part) the council is required to formally receive and accept the annual audit letter.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	The report from the external auditors details a certification which was completed with no exceptions. There were no matters raised which need to be brought to the attention of the authority.
<p>Additional comments: 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>Comment: Council has noted Regulation 16 and 20 (in part) 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.</i></p>		

¹² 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 14 – 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> ¹³	Yes	Council held a meeting of the council on 20 th May 2024 at which the Chair was elected for the civic year. <i>Comment: Council is aware that Section 15 of LGA Act 1972, requires local councils to appoint a Chair (Mayor) as the first business to be transacted at the Annual Council Meeting which is to be held in May.</i>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the parish council's website of the Register of Interests for seven of the parish council's councillors. <i>Comment: Council has followed guidance under the Openness and Transparency on personal interests – a guide for Councillors – August 2012 -which recommends that where a parish council has their own website, its register of interests must be published on that website. A direct link from the council's website to the District's also satisfies the guidance issued.</i>
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	Yes	The Parish Council is the Sole Trustee for the Debenham Memorial Garden Charity 1117595 (URC Cemetery). The Charity does not have any separate finances. A zero return is submitted on an annual basis to the Charity Commission. The minutes of the parish council meeting held on 14 th April 2025 formally appointed the Parish Clerk to act on behalf of the parish council concerning this charity. It is confirmed that the council is now up to date with the Charity Commission filing requirements and that the council is the sole trustee on the register.

¹³ The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		<i>Comment: Council is advised to ensure that the financial transactions of the Charity do not form part of its accounts and are not included in the figures reported on Section 2 of its Annual Governance and Accountability Return.</i>
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	<p>Council is working towards showing compliancy with the minimum datasets that should be published on a quarterly basis as per the requirements as set out in the Local Government Transparency Code (2015), with a range of documents relating to the current year being able to view on the Council's website.</p> <p>For Denham Parish Council, the transparency code requirements will include the publication of quarterly reporting of spending transactions valued over £500; quarterly reporting of invitation to tender for contracts over £5,000; quarterly publication of details of every transaction on a government procurement card; the annual reporting of organisational charts; annual reporting of all grants made to voluntary, community and social enterprise organisations and the annual reporting of the location of public land and assets.</p> <p><i>Comment: Appendix A of the Local Government Transparency Code 2015 (published February 2015) provides further details of all information to be published along with relevant timescales. Council is advised to review the provisions of the code and seek compliance with the publication requirements.</i></p> <p><i>A link to the guide can be found at: Transparency Code 2015</i></p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	Yes	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.</p> <p>The Freedom of Information Act requires every public authority to have a publication scheme, approved by the Information Commissioner's Office (ICO), and to publish information covered by this scheme. Council has such a scheme, which sets out the Council's commitment to make certain classes of information routinely available, such as policies and procedures, minutes of meetings, annual reports and financial information and is available to view on the council's website.</p>

¹⁵ Data Protection Act 2018

<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has reviewed its GDPR Policies during the year ensuring that at all times it is able to provide 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. Appropriate Data Protection policies and procedures are in place along with the lawful basis for the processing of data covered by the regulations as well as policies that deal with the effective management of its records thereby demonstrating that the Council has acted in compliance with its legal and regulatory obligations.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	The Regulations of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 was enacted on 23rd September 2018. The regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities. Council's Accessibility Statement details how information will be produced on a website and how to gain access to content that is readily accessible to view as well as detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council has a dedicated domain name which supports a secure and digitally managed email system.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council's day to day records are subject to regular back-ups to a cloud-based secure system.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate a committee system.
Additional comments:		
The Internal Auditor offers her appreciation for the assistance given by the Parish Clerk in completing this audit. The year-end files were extremely well presented for review. Acknowledging that the primary role of the internal auditor is to provide independent, objective assurance to members and management that key risks are being managed effectively, a number of comments and recommendations have been made in the light of the year ending 31st March 2025 with areas identified that could be expanded to		

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

provide independent assurance that the council's risk management, governance and internal control processes are operating effectively. Recommendations made and/or commentary provided are to enhance the systems in place as opposed to detract from the positive assurance that can be given as to the manner in which the council's finances are currently managed.

For further information and for the year effective 1st April 2025 please refer to Governance and Accountability for Smaller Authorities in England - [A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2025.](#)

Signed: ***V S Waples***

Date of Internal Audit Visit: 13.06.25 & 17.06.25

Date of Internal Audit Report: 18.06.25

On behalf of Suffolk Association of Local Councils