

Report to Great Finborough Parish Council

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

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2025/26 year the Council maintained effective governance arrangements including a robust framework of internal control and risk management. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains a high standard of financial administration and effective internal financial control.

1.2 By examination of the 2025/26 accounts and supporting documentation it was confirmed that the Clerk, in the role of the Council's Responsible Financial Officer (RFO), is undertaking the administration of the Council's financial affairs to a high standard and has produced appropriate financial management information to enable the Council to make well-informed decisions.

1.3 The Council's documentation and information were extremely well presented by the Clerk/RFO for the internal audit.

1.4 The Accounts for the year confirm the following:

Total Receipts for the year: £34,069.92
Total Payments in the year: £26,319.93
Total Reserves at year-end: £37,530.40

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

<i>Balances at beginning of year (1 April 2025):</i>	<i>Box 1: £29,781</i>
<i>Annual Precept 2025/26:</i>	<i>Box 2: £17,794</i>
<i>Total Other Receipts:</i>	<i>Box 3: £16,276</i>
<i>Staff Costs:</i>	<i>Box 4: £7,959</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £18,362</i>
<i>Balances carried forward (31 March 2026):</i>	<i>Box 7: £37,530</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £37,530</i>
<i>Total fixed assets:</i>	<i>Box 9: £100,398</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

1.6 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.

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

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 Parish Council meeting was held on 12 May 2025. The first item of business was the Election of Chair, in accordance with the requirements of the Local Government Act 1972.

2.2 Standing Orders are in place. They are based on the model Standing Orders published by the National Association of Local Councils (NALC) and were reviewed and approved by the Council at its meeting on 12 May 2025. A copy has been published on the Council's website.

2.3 Financial Regulations are also in place and are based upon the model Financial Regulations published by NALC. They were reviewed and adopted by the Council at its meetings on 12 May 2025 and 13 October 2025. A copy has been published on the Council's website.

2.4 The Council is applying the General Power of Competence (GPOC). At the meeting on 12 May 2025 the Council noted that it met the conditions of eligibility set out in the Schedule to the Parish Council (General Power of Competence) (Prescribed Conditions) Order 2012, thereby enabling the Council to use the GPOC which remains valid until May 2027.

2.5 The Council has a Clerk and Responsible Financial Officer (RFO) in post, Mrs Jennie Blackburn having been appointed as Clerk/RFO with effect from 7 January 2025. A formal contract was produced and signed by both parties on 10 March 2025.

2.6 A Delegation to Clerk (Planning) protocol is in place. At the meeting on 28 July 2025 the Council agreed that if a Planning Application is received and the timescale for comments for the application cannot be met, the Delegation would provide that the Clerk would email Councillors for their comments on that application. The Clerk would then submit those comments made to the Planning Department.

2.7 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council. Each page of the Minutes is signed/initialled by the Chair of the meeting at which the Minutes are approved.

2.8 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA129371, expiring 27 July 2026).

2.9 To assist in meeting the requirements of the General Data Protection Regulations (GDPR) the Council maintains a Data Protection Policy and a Document Retention Policy, both of which were reviewed and approved by the Council at its meeting on 10 March 2025.

2.10 The Council has a GDPR Privacy Policy in place; the Policy was reviewed and updated by the Council at its meeting on 9 March 2026.

2.11 A Freedom of Information (Fol) Policy was approved by the Council on 9 March 2026 to assist in the compliance with Fol legislation.

2.12 The Council also has in place a Litter Picking Policy which was reviewed and approved by the Council at its meeting on 8 September 2025, a Debit Card Policy (approved on 13 October 2025) and an IT Policy (approved on 8 December 2025).

2.13 The Council has also published the following Policies and Protocols:

- Protocols for Public Participation in Council Meetings
- Complaints Policy (reviewed and adopted on 9 March 2026)
- Pre application planning Protocol
- Editorial Policy for the Newsletter
- Publication Scheme
- Grant Policy (reviewed and adopted on 9 March 2026)

2.14 The Council has adopted the Local Government Association (LGA) Model Councillor Code of Conduct which details the requirements and responsibilities placed upon each individual Councillor. A copy of the LGA Code has been published on the Council's website.

2.15 A new Assertion 10 in the Annual Governance Statement (AGS) of the AGAR 2025/26 requires local councils to formally declare their compliance with digital and data governance standards. The SAPPP Practitioners' Guide provides the following instruction regarding Assertion 10 - Digital and Data Compliance, at item 1.47 et seq.:

'To warrant a positive response to this assertion, the authority needs to have taken the following actions:

- a) *Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk.*
- b) *All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.*
- c) *All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).*
- d) *All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).*
- e) *All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.*

- f) *All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.*
- g) *The DPA 2018 supplements the GDPR and classifies an authority as both a Data Controller and a Data Processor.*
- h) *All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.'*

2.16. The Council has a domain name of greatfinborough-pc.gov.uk and at the meeting on 10 November 2025 the Council agreed that the Chair of the Parish Council should, in addition to the Clerk/RFO, have a .gov.uk email address to assist compliance with the new Assertion 10.

2.17 The Council also has an IT Policy is in place to evidence compliance. The Council has published a Website Accessibility Statement (in addition to one posted by the website host under the name of Suffolk Cloud) to assist compliance with the Website Accessibility Regulations. In summary, the Council has demonstrated proper governance of its digital presence, including using an authority-owned domain for emails and complying with the latest website accessibility standards as far as practicably possible.

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 in very good order and well presented. The Spreadsheet is well referenced and provides an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was closely examined by the Internal Auditor and was found to be in good order with supporting invoices/vouchers in place.

3.2 VAT payments are tracked and separately identified within the Cashbook to assist future re-claims to HMRC. The reclaim for the £1,313.84 VAT paid for the period ending 31 March 2025 was submitted by the Clerk/RFO on 14 April 2025, received at bank on 12 May 2025 and reported to Council on 9 June 2025. The recording of VAT in the Accounts and the Claims submitted accord with the re-claim procedures required by HMRC.

3.3 Community Infrastructure Levy (CIL) issues are brought to the attention of the Council as a matter of routine. The recording of CIL information is in accordance with the directions of the District Council and relevant accounting best practice principles. The Report for the year 2025/26 has been constructed by the Clerk/RFO and displays an opening balance of £15,992.09 as at 31 March 2025 with £6,000 CIL receipts in the year and payments of £3,669.61 relating to Garden Maintenance of the Play Area, Car Park Maintenance, Village Grass Cutting Maintenance and a Speed Indicator Device.

3.4 The CIL Fund balance as at 31 March 2026 accordingly stands at £18,322.48. The CIL Report has to be published on the Council's website and a copy submitted to the District Council no later than 31 December 2026.

3.5 A Statement of Explanation of Variances (explaining significant differences in receipts and payments between the years 2024/25 and 2025/26) has been prepared by the Clerk/RFO for submission to the External Auditors and for publication on the Council's website.

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

4.1 Bank Reconciliations are presented to meetings of the Council and the approval by the Council is Minuted.

4.2 At the meeting on 28 July 2025 the Council agreed to apply for a debit card for the HSBC Current Account and for any necessary additions to the Financial Regulations. On 9 September 2025 the Council reviewed a Debit Card Policy, which included a limit of £500 per month maximum spend with two Councillors approving any payment via email if between meetings. The Council agreed that the Financial Regulations should reflect the same information. At the meeting on 13 October 2025 the Council approved both the Debit Card Policy and the updated Financial Regulations.

4.3 At the beginning of the 2025/26 year of account an amount of £600 Locality Funding from District Councillor Matthissen was held in the Council's bank account on behalf of 'Great in Finborough Together' (GiFT) and as soon as the individual bank account had been opened the money would be transferred. The transfer out of the Council's funds to GiFT took place on 23 September 2025.

4.4 The bank statements as at 31 March 2026 for the HSBC Current Account (£5,361.46) and the HSBC Savings Account (£32,168.94) 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 good order.

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

6.1 The Council's Internal Control Measures and Risk Management arrangements were reviewed and approved by the Council at its meeting on 9 March 2026 (Minute GFPC240/25/265a refers). The documents provide detailed analysis of the financial

risks faced by the Council and the control measures in place to mitigate the risks identified. A copy has been published on the Council's website.

6.2 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.

6.3 An important area of risk management within local councils concerns the adequate maintenance and inspection of play equipment. The Council receives reports under a standing agenda item. At its meeting on 10 March 2025 the Council nominated a Councillor to undertake monthly inspections of the play area and would report back to each Parish Council meeting. The Council also agreed that RoSPA standard inspections would be carried out annually.

6.4 The Council also demonstrates good practice by having a Play Area Inspection Policy in place. The Policy was reviewed and approved by the Council on 10 March 2025 and outlines the legal responsibilities of the authority and how the Council will meet those responsibilities through a system of inspection, risk assessment and responding to faults and identified risks.

6.5 Insurance was in place for the year of account. At the Council's meeting on 8 September 2025 the Council agreed to make payment of £710.25 to Gallagher Insurance Brokers for insurance renewal. The policy is provided by Hiscox Insurance and runs from 1 October 2025 to 30 September 2026. Employer's Liability cover and Public Liability cover each stand at £10m.

6.6 The Fidelity Guarantee (Councillor/Employee Dishonesty) insurance cover stands at £150,000 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: £17,794 (Minute GFPC111/24/25 refers)

Precept 2026/27: £18,496 (Minute GFPC211/25/26 f refers)

7.1 Following a Budget Working Party meeting on 7 January 2025 the Council considered and approved a Final Budget for the year 2025/26 and agreed a Precept of £17,794. The Precept decision and the amount were clearly Minuted.

7.2 Similarly, at the meeting on 10 November 2025 a Draft Budget for 2026/27 was considered and approved by the Council. At the meeting on 12 January 2026 the Final Budget for 2026/27 was approved and a Precept of £18,496 agreed. The Precept decision and the amount have been clearly Minuted.

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

7.4 Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments for the years 2025/26 and 2026/27.

7.5 The Council has sound budgetary procedures in place. Budget Monitoring Reports were presented to the Council by the Clerk/RFO in order to meet the Council's budgetary control responsibilities.

7.6 The Overall Reserves at the year-end totalled £37,530.40 of which £18,322.48 is a Restricted Reserve as per the Annual CIL Report. No other Earmarked Reserves are recorded in the Accounts.

7.7 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) were accordingly £19,207.92 as at 31 March 2026 and in line with the SAPPP Practitioners' Guide item 5.34 that the appropriate minimum level of a smaller authority's general reserve should be maintained at least between 3 and 12 months equivalent of net revenue expenditure/precept.

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

8.1 Receipts are reported to Council as a matter of routine. Receipts of £34,069.92 recorded in the Cashbook Spreadsheet consisted of Precept (£17,794), CIL receipts (£6,000), VAT reclaim (£1,313.84), Bank Interest (£445.89), Cleansing Grant for Litter Picking Posts (£1,904.76), Locality Funding for SIDs (£4,000), Locality Funding for Leaky Dams (£480), Newsletter Advertising (£1,870.25) and Other Income (£261.18).

8.2 Receipts recorded in the Cashbook were cross referenced with the Council's Bank Statements on a sample basis and were found to be in order.

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 for expenses incurred.

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

10.1 Payroll Services are being operated by the Suffolk Association of Local Councils (SALC) in accordance with HMRC requirements. PAYE is in operation and detailed pay slips are produced. The P60 End of Year Certificates for the Clerk/RFO and the two Litter Pickers were presented to the Internal Auditor.

10.2 A Contract of Employment dated 7 January 2025 is in place between the Council and the Clerk/RFO and confirms that the employment commenced on 7 January 2025. As at 31 March 2026 the Clerk/RFO was paid at NJC SCP 22 for an average of 8 hours per week. The terms of employment also include payment to the Clerk/RFO of an Office Allowance at the rate approved by SALC.

10.3 At the meeting on 28 July 2025 the Council noted and approved for its employees the National Joint Council (NJC) new pay scales for 2025/26 for Local Government Officers, backdated to 1 April 2025.

10.4 The Council submitted a re-declaration of compliance to the Pensions Regulator on 13 February 2025 in accordance with the requirements of the Pensions Act 2008. (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).

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

11.1 An Asset Register is in place and was reviewed and approved by the Council at its meeting on 12 May 2025.

11.2 At the meeting on 13 October 2025 the Clerk/RFO reported that on the Asset Register the installation costs for the play area had been included; the purchase cost of the equipment needed to be included but not the installation costs, which would mean that the asset figure on the 2024/25 AGAR needed to be re-stated from £130,720 to £95,207.25. The amendment was agreed by the Council and the re-stated figure has been entered into the Year ending 31 March 2025 (the comparative year) in Section 2 of the 2025/26 AGAR (Accounting Statements 2025/26).

11.3 The Register displays a total value of £100,397.09 as at 31 March 2026, a net increase of £5,189.84 over the re-stated value of £95,207.25 as at the end of the previous year (31 March 2025). The increase reflects the acquisition of 2 Speed Indicator Devices (£5,179.98), Litter Pick Signage (£107.42), Circular Bench and Village Sign/Plinth (at a Community Value of £1 each). Disposals consisted of previous Litter Picker Signage (£99.56).

11.4 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost (where known) or a community value of £1 in appropriate cases. The value as at 31 March 2026 has been correctly entered into Box 9 of Section 2 of the AGAR.

11.5 The Clerk/RFO confirmed that that the Council's insurance policy has been checked against the Asset Register to ensure that the policy adequately covers all relevant Assets.

12. 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*).

12.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides appropriate financial reports and information to Council meetings to enable

Councillors to make informed decisions. The Council receives financial details including accounts balance, payments and receipts and bank reconciliations.

12.2 Receipts and payments are listed in the Council's Minutes as part of the overall financial control framework. Payments were made through on-line banking during 2025/26

12.3 A sample of online payments was examined and were found to be in order.

12.4 The Internal Audit Report for the previous year, 2024/25 was reported to the Council at its meeting on 12 May 2025.

12.5 The Internal Auditor for the 2025/26 year was appointed by the Council at the meeting held on 9 March 2026.

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

13.1 The External Audit Report and Certificate for the year 2024/25 was completed by PKF Littlejohn LLP on 8 August 2025. The Report was received and approved by the Council at its meeting on 8 September 2025. The External Auditors raised no matters of concern.

13.2 At its meeting on 9 March 2025 the Council noted that an External Audit review is required for the year 2024/25 because the higher of gross income or gross expenditure exceeded £25,000 in the year of account.

14. Publication Requirements.

14.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website (by 1 July):

Notice of the period for the exercise of Public Rights
AGAR - Sections 1 and 2.

14.2 Following the completion of the External Audit (by 30 September):

Notice of Conclusion of Audit
AGAR - Section 3
AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).

14.3 The Internal Auditor was able to confirm that the documents relating to the year 2024/25 were readily accessible on the Council's website:

<https://greatfinborough-pc.gov.uk/parish-council/parish-council-finance/>

15. Additional Comments.

15.1 I would like to record my appreciation to the Clerk/RFO for her assistance during the course of the audit work and for the careful organisation and presentation of the documents for the audit.

Trevor Brown

Trevor Brown

Chartered Institute of Public Finance and Accountancy

Internal Auditor

10 May 2026