

## **Report to Little Blakenham 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 continued to maintain effective governance arrangements. 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 an efficient framework of financial administration and 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), satisfactorily undertook the administration of the Council's financial affairs and produced all necessary financial management information to enable the Council to make well-informed decisions.

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

1.4 The Accounts for the year display the following:

*Total Receipts for the year: £11,243.07*  
*Total Payments in the year: £12,995.39*  
*Total Reserves at year-end: £4,059.67*

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: £5,813</i>
<i>Annual Precept 2025/26:</i>	<i>Box 2: £8,425</i>
<i>Total Other Receipts:</i>	<i>Box 3: £2,818</i>
<i>Staff Costs:</i>	<i>Box 4: £3,919</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £9,077</i>
<i>Balances carried forward (31 March 2026):</i>	<i>Box 7: £4,060</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £4,060</i>
<i>Total fixed assets:</i>	<i>Box 9: £38,887</i>
<i>Total borrowings:</i>	<i>Box 10: nil</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. Comments and any recommendations 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 took place on 20 May 2025. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 Standing Orders are in place and are based on the model document issued by the National Association of Local Councils (NALC). They were reviewed and approved by the Council at the meeting on 20 May 2025. A copy has been published on the Council's website.

2.3 Financial Regulations are also in place and are based on the latest model document published by NALC. They were reviewed and adopted at the Council's meeting on 17 March 2026. A copy of Financial Regulations has been published on the Council's website.

2.4 The Council resolved to adopt the General Power of Competence (GPoC) at its meeting on 16 May 2023. Having declared that it was an eligible Council to use the GPoC and having at least two-thirds elected Councillors and a suitably qualified Clerk, the adoption of the Power was agreed (Minute LB18/23/24 refers). The GPoC continues until the full Council election in May 2027.

2.5 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.

2.6 A Clerk and Responsible Financial Officer (RFO) is in position. Mrs Jennie Blackburn was formally appointed as Clerk and RFO by the Council at its meeting on 18 January 2022.

2.7 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA172924, expiring 17 April 2027).

2.8 The Council has Policies in place to assist in meeting the requirements of the General Data Protection Regulations (GDPR). The Data Protection and Security Policy and Data Retention Policy were reviewed and approved by the Council on 18 March 2025. A Privacy Notice is also in place. The Policies and Notice have been published on the Council's website.

2.9 The Council has a Freedom of Information Policy in place to assist compliance with Freedom of Information legislation. The Policy was reviewed and approved by the Council on 17 March 2026.

2.10 Similarly, in meeting its overall governance responsibilities the Council has adopted a Safeguarding Policy, an Equality, Diversity and Inclusion Policy and a Health and Safety Policy (all reviewed and approved by the Council on 17 March 2026).

2.11 The Council had 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 Code has been published on the Council's website.

2.12 The Council adopted an IT Policy on 20 January 2026 to support the existing Data Protection Policies and to assist compliance with the new Assertion 10 in the Annual Governance Statement (AGS) in the 2025/26 AGAR.

2.13 On 18 November 2025 the Clerk/RFO reported upon the **Assertion 10 - Digital and Data Compliance** requirements for local councils introduced in the 2025 edition of the Smaller Authorities' Proper Practices Panel (SAPPP) Practitioner's Guide. All local councils are being urged to change their website and email addresses to a gov.uk domain as part of the new requirements. Councils must demonstrate proper governance of their digital presence, including using an authority-owned domain for emails and complying with the latest website accessibility standards. The Council agreed on 5 November 2025 that a gov.uk domain be set up for the website and the Clerk/RFO's email address.

2.14 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.'*

2.15 The Clerk/RFO has confirmed and provided evidence that the above requirements have been met and the Council is 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 in good order and well presented. The Spreadsheet is well referenced and facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was closely examined and found to be in order with supporting invoices/vouchers in place.

3.2 VAT payments are tracked and identified within the Spreadsheet to assist re-claims to HMRC, as follows:

- a) The re-claim of £215.81 for the VAT paid in the year 2024/25 was submitted to HMRC on 25 April 2025 and received at bank on 6 May 2025.
- b) A reclaim to HMRC of £718.31 for the VAT paid in the year 2025/26 was submitted to HMRC on 8 April 2026.

3.3 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2026 has been prepared by the Clerk/RFO. The Report displays the balance of £559.60 brought forward from previous years, the CIL Receipts of £0 in the year and £0 CIL Payments. A balance of £559.60 was accordingly retained at the end of the year as a Restricted Reserve.

3.4 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 publication on the Council's website.

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

4.1 The Clerk/RFO provides detailed financial information to the Council including an up-to-date bank reconciliation.

4.2 The Lloyds Bank Community (Current) Account as at 31 March 2026 (£1,204.65) and the Lloyds Reserves (Savings) Account as at 31 March 2026 (£2,855.02) totalled £4,059.67 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 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 17 March 2026 (Minute LB110/25/26a refers). The documents provide detailed analysis of the financial and other risks faced by the Council and the control measures in place to mitigate the risks identified.

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 During the 2025/26 year the Council held an insurance policy with Zurich Municipal. At the Council's meeting on 18 March 2025 the Clerk/RFO reported upon the insurance renewal for cover from 28 March 2025 to 27 March 2026; the payment of the premium of £909.57 was authorised by the Council. Public Liability Insurance remained at £12m, the Employer's Liability cover at £10m and Fidelity Guarantee cover at £250,000.

6.4 Similarly, the Council's insurance renewal for the period 28 March 2026 to 27 March 2027 was at a cost of £1,484.83 and continues to provide cover for Public Liability (£12m.), Employer's Liability (£10m.) and Fidelity Guarantee cover at £250,000 (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).

6.5 At the Council's meeting on 16 September 2025 the Clerk reported that she had liaised with the insurance company in relation to adding the new Village Hall to the policy at in an additional cost of £267.08.

6.6 The Clerk/RFO confirmed to the Internal Auditor that the insurance policy currently in place has been checked against the Asset Register and adequately covers all relevant Assets.

6.7 The Council has adopted a Health and Safety Policy to assist in meeting its risk management responsibilities.

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

Precept 2025/26: £8,425 (21 January 2025 (Minute LB88/24/25f refers).

Precept 2026/27: £9,680 (20 January 2026, Minute LB90/25/26f refers).

7.1 The Draft Budget for 2025/26 was considered and approved by the Council on 19 November 2024. The Final Budget and Precept were approved by the Council at its meeting on 21 January 2025.

7.2 Similarly, a Draft Budget for 2026/27 was considered and approved by the Council at its meeting on 18 November 2025. The Final Budget and Precept for 2026/27 was considered and approved by the Council on 20 January 2026. The precept decision and amount have been clearly Minuted.

7.3 The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. The Council has sound budgetary procedures in place. The Clerk/RFO prepared detailed estimates of the annual budget and of receipts and payments for the years 2025/26 and 2026/27. The Clerk/RFO presents Budget Monitoring Reports to meetings of the Council as part of the overall budgetary control arrangements operating within the Council.

7.4 The Overall Reserves as at the year-end 31 March 2026 totalled £4,059.67, of which £559.60 is a CIL Restricted Reserve. No Earmarked Reserves are recorded.

7.5 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) as at 31 March 2026 accordingly totalled £3,500.07 (the equivalent of 36% or 4.3 months of the Precepted amount for 2026/27) and is within the generally accepted position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure (the SAPPP Proper Practices Guide, Item 5.34 refers).

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

8.1 At the meeting on 20 May 2025 the Council considered and agreed the rate of the hiring fee for the Hall.

8.2 Receipts are reported to the Council as a matter of routine. Receipts of £11,243.07 in the year consisted of Precept (£8,425), Grants (£2,424), VAT Reclaim (£215.81), Bank Interest (£19.26) and Miscellaneous (£159).

8.3 Income recorded in the Cashbook was cross referenced with the Council's Bank Statements on a sample basis and 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 payments made on-line for expenses incurred.

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

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

The Council's website is: <https://littleblakenham-pc.gov.uk/>

10.2 Smaller Councils should publish on their website:

- a) **All items of expenditure above £100.** Payments listed on website.
- 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.

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

10.4 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 required the Council to publish a 'Notice of Public Rights and Publication of Annual Governance and Accountability Return (Exempt Authority)' on a publicly accessible website. The Internal Auditor was able to confirm that the 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 and the Details of the person making the announcement.

10.5 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 at the date of the audit as being 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. PAYE is in operation and detailed pay slips are produced. The form P60 End of Year Certificate for the Clerk/RFO was presented to the Internal Auditor.

11.2 A Contract of Employment dated 18 January 2022 is in place between the Council and the Clerk/RFO and confirms that the employment commenced on 18 January 2022 with a starting salary at SCP 22 for (normally) 4 hours per week and this was in force as at 31 March 2025. At the Council's meeting on 29 July 2025, it

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was agreed that following her annual appraisal the Clerk/RFO's salary should be raised by two increments to Scale Point 24, backdated to 1 April 2025. A monthly Office Allowance is payable to the Clerk/RFO.

11.3 At the meeting on 29 July 2025 the Council noted that the national pay award 2025/26 for local government officers had been finalised and agreed that this would apply to the salary of the Clerk/RFO. The award was backdated to 1 April 2025.

11.4 The Council agreed on 19 March 2024 that the Cleaner's wage would be automatically increased in line with the National Living Wage (NLW) having noted that the NLW would be increased from 1 April 2024. Similarly, the Clerk/RFO reported to Council on 18 March 2025 that the NLW was to be increased from April 2025.

11.5 The Clerk/RFO's Contract of Employment confirms that the Clerk/RFO does not become a member of the workplace pension scheme automatically but has the option to join the scheme should she choose to do so.

11.6 The Pensions Regulator confirmed that the Council had submitted a re-declaration of compliance on 5 December 2023 to meet 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).

**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 and was reviewed and approved by the Council at its Annual Meeting on 20 May 2025.

12.2 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 nominal/community value in appropriate cases.

12.3 The total value of £38,887 as at 31 March 2026 is a net reduction of £27,056 in relation to the value of £65,943 at the end of the previous year (31 March 2025) and reflects the following:

- a) The Village Hall was demolished in 2025 and a new one built. A CIL grant of £75,000 from Mid Suffolk DC contributed towards the re-build costs. Team AB (Port One) paid for the remaining costs and used their own contractors.
- b) Furniture and contents (tables, chairs, electrical items) and solar panels were provided and paid for by Team AB (Port One).

Accordingly, Disposals in the year relate to the recorded value of the old Village Hall (£27,340) and furniture/contents held within it (£1,584)

Additions in the Register were:

- a) The new Village Hall entered as a Community Value of £1.
- b) The tables, chairs and electrical items entered as a Community Value of £1.
- c) Solar Panels at the Hall entered as a Community Value of £1.
- d) Defibrillator and cabinet entered at cost of £1,865.

12.4 The resultant value of £38,887 as at 31 March 2026 has been correctly entered into Box 9 of Section 2 of the AGAR 2025/26.

**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 Clerk/RFO provides financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions. The Council receives details of its financial position, including listings of receipts and payments and the balance in the accounts.

13.2. Receipts and payments are listed in the Council's Minutes as part of the overall financial control framework.

13.3 Payments were largely made through on-line banking during 2025/26. The Clerk/RFO is the Service Administrator, who initiates payments which are then authorised by nominated Parish Councillors before payment is released. The procedure is documented in the Council's Financial Regulations Item 7.1 as follows:

*'Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of one person will be involved in any online approval process. The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.'*

13.4 The Internal Audit Report for the previous year, 2024/25, was received and noted by the Council at its meeting on 20 May 2025.

13.5 The Council appointed the Internal Auditor for the 2025/26 year at its meeting on 17 March 2026.

**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 as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account. At its meeting on 20 May 2025 the Council approved the Certificate of Exemption from a Limited Assurance Review.

14.2 For the year 2025/26 the Council may similarly apply for Exemption from a Limited Assurance Review as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account. At its meeting on 17 March 2026 the Council noted the arrangements that would apply for the 2025/26 year.

**15. Additional Comments.**

15.1 I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work and would particularly commend her for the careful presentation of the documents for the audit.

*Trevor Brown*

**Trevor Brown**

**Chartered Institute of Public Finance and Accountancy**

**Internal Auditor**

**20 April 2026**