

## Internal Audit Report for Carlton Colville Town Council for the period ending 31 March 2026

Clerk	Alison Ayers
RFO (if different)	-
Chairperson	Councillor Rachel Arnott
Precept	£61,600.00
Income	£104,151.09
Expenditure	£119,104.75
General reserves	£63,000.00
Earmarked reserves	£85,133.89 (see below – Reserves)
Audit type	Annual – Non-Exempt Authority
Auditor name	<b>Victoria Waples</b>

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

<b>Section 1 – Financial Regulation and Standing Orders</b>		
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.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Council's Standing Orders, as adopted at the meeting of 7 <sup>th</sup> May 2025, are based on the latest model published by the National Association of Local Councils (NALC), April 2025 and are fully tailored to the council.
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations, as seen on the Council's website were reviewed at the meeting of 4 <sup>th</sup> June 2025 and are based on the NALC Model Financial Regulations published in March 2025. <i>Comment: council might wish to review the NALC Advice Note – Procurement, 3 February 2026 <a href="#">link to view the advice note</a> and ensure any applicable revisions are incorporated at the next annual review.</i>
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)? <sup>1</sup>	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority. Whilst Council's own financial regulation 1.5 confirms that the Clerk is so appointed, the minutes of 7 <sup>th</sup> May 2025 confirm that a Responsible Financial Officer is in place.
<b><i>Additional comments:</i></b>		

<b>Section 2 – Budgetary controls</b>
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

<sup>1</sup> Section 151 Local Government Act 1972

Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2025 - 2026 was approved at the Council meeting of 4 <sup>th</sup> December 2024 and was set at £60,970. The budget for the year 2026 - 2027 was approved at the council meeting of 3 <sup>rd</sup> December 2025, following a review by the Finance and Personnel Committee at its meeting of 19 <sup>th</sup> November 2025, with evidence produced that this would be set at £57,635. <i>Comment: council has evidenced 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>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The minutes of 4 <sup>th</sup> December 2024 confirmed that the precept to be levied for the year 2025 - 2026 would be set at £61,000. The minutes demonstrate that this would result in a Council Tax Band D of £22.65 which was a 6.5% increase on that set the previous year. An explanation for the increase was recorded in the minutes as due to rising costs and no increase to offset rising costs for the past 8+ years. The precept for the year 2026 - 2027 was discussed and approved at the meeting of 3 <sup>rd</sup> December 2025 and set at £64,680. The minutes demonstrate that this would result in a Council Tax Band D of £24.11 which would be an increase of 5.4% over that set for the previous year. <i>Comment: in accordance with best practice, council has recorded in the minutes the impact the precept being set would have on a Band D Dwelling in percentage terms.</i>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Council received regular reports detailing bank balances and approval of bank reconciliations, along with reviews covering comparisons between budgeted and actual income and expenditure. Monitoring statements produced showing evidence of comparisons between budgeted and actual income and expenditure are used as the basis of approval for virements in accordance with council's own Standing Orders and Terms of Reference. <i>Comment: council is acting in accordance with the timescales as specified in its own Standing Order 17c.</i>

<p><i>Reserves held – general and earmarked<sup>2</sup></i></p>	<p>Yes</p>	<p>The Council, as at year-end, had overall Reserves totalling £148,133.89 with General Reserves totalling £63,000 and Earmarked Reserves of £85,133.89 (amended by the internal auditor which ensures that the figures carried forward balances which those stated on the Draft AGAR).</p> <p>Whilst council is aware of guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure, it agreed at its meeting of 4<sup>th</sup> December 2025 to hold one year's precept as a General Reserve in line with its Reserve Policy.</p> <p><b>Recommendation: council is advised to review its adopted Reserve Policy, as seen on the council's website, and ensure that the actions of the council reflect the adopted policy. It might be prudent to consider updating the policy at the next annual review. The policy also makes reference to JPAG (March 2020 edition), and council might wish to reference SAPP Practitioner's Guide 2026.</b></p> <p>The minutes of 4<sup>th</sup> December 2025 provide evidence that the council is aware that there is no upper limit for Earmarked Reserves, and has sought to ensure that they are held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</p>
<p><b>Additional comments:</b></p>		

<p><b>Section 3 – Proper bookkeeping</b> 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.</p>		
<p><b>Evidence</b></p>	<p><i>Internal auditor commentary</i></p>	
<p><i>Is the ledger maintained and up to date?</i></p>	<p>Yes</p>	<p>The RFO uses the Scribe Financial Software accounting package which produces a suite of tools to allow for reporting on an Income and</p>

<sup>2</sup> 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

		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 below the threshold of £200,000 and has been for three (3) continuous years. Council's operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis with verifications of the cashbook against bank statements undertaken and recorded as having been reconciled.
<i>Is the arithmetic correct?</i>	Yes	The functionality of the cashbook was found to be in order.
<b>Additional comments:</b>		

<p><b>Section 4 – Payment controls</b></p> <p>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>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked minutes, cash book, bank statement and invoices and all were found to be recorded / authorised in accordance with Proper Practices. All were found to be in order. A financial statement is submitted at each relevant meeting detailing the payments to be made, with reference made within the body of the minutes as to the payments being authorised.

Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's expenditure. The council's risk assessment documentation for electronic payments details the procedure to be followed for the making of such payments in accordance with council's own Financial Regulations.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book with the year-end balance standing at £11,433.74. It is confirmed that this was settled on 2 <sup>nd</sup> April 2026. The claim covering the period 1 <sup>st</sup> February 2025 to 31 <sup>st</sup> January 2026 in the sum of £535.71 was settled on 17 <sup>th</sup> March 2026. <i>Comment: the Clerk has ensured that the council has complied with section 33 of the 1994 VAT Act which allows local authorities and other public bodies to recover VAT incurred on costs associated with: non-business activities, taxable business activities where the body is VAT registered (subject to the normal rules), and exempt business activities (where the input tax incurred in relation to exempt activities is considered to be insignificant).</i>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>3</sup>	Yes	The council reconfirmed eligibility criteria to enable it to exercise the GPOC at its meeting on 7 <sup>th</sup> May 2025.
Are payments under s.137 <sup>4</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
<b>Additional comments:</b>		

<sup>3</sup> Localism Act

<sup>4</sup> Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £11.10 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<b>Section 5 – Income controls</b>		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with the Council’s Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the financial reports submitted to full Council. In accordance with proper practices, the RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Yes	Council received precept in the sum of £60,970 from East Suffolk Council for the period under review as reported to full Council within its Financial Reports at its meetings in May and October 2025. 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?<sup>5</sup></i>	Yes	CIL reporting schedules are maintained in accordance with the Regulations
<i>Is CIL income reported to the council?</i>	Yes	Council received CIL receipts during the year under review totalling £5,531.71 (£4,096.11 in April and £1,435.60 in October 2025).
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL workings for 2025 - 2026 shows that there is a nil balance on 31 <sup>st</sup> March 2026.
<i>Has an annual report been produced?</i>	Yes	An Annual CIL statement has been produced detailing the relevant figures and carry forward balance.
<i>Has it been published on the authority’s website?</i>	Yes	The annual CIL statement has been published on the council’s website.
<b>Additional comments:</b>		

<sup>5</sup> Community Infrastructure Levy Regulations 2010

<b>Section 6 – Petty cash</b>		
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.		
<b>Evidence</b>		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
<b>Additional comments:</b> <i>a petty cash system is not operated by the council.</i>		

<b>Section 7 – Bank reconciliation</b>		
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.		
<b>Evidence</b>		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations were completed on a regular basis throughout the year, with independent scrutiny of the bank reconciliation being carried out by the Chair of the Parish Council. An interrogation of the cash book and bank statements demonstrate that 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>Comment: council might wish to note FR 2.6 which states that at least once in each quarter, and at each financial year end, a member other than the Chairperson shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as</i>

		<i>evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 <sup>st</sup> March 2026 agree with the year-end bank statements and at year end stood at £148,133.89 across the accounts held in the parish council's name.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council. Council's internal control statement confirms that reconciled accounts including bank reconciliation are presented to the council at council meetings, thereby demonstrating that an internal review and verification of the bank reconciliation versus the bank statements has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
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.		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had one employee on its payroll at the period end of 31 <sup>st</sup> March 2026. Employment contracts were not reviewed during the internal audit, but the Clerk to the Council has confirmed that a Contract of Employment is in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made via internet banking in accordance with council's own Financial Regulations. <i>Comment: Council has noted the requirement to ensure that it formally approves amendments to any employee's pay, emoluments, or terms and conditions of employment.</i>
<i>Are all employees paid at least the minimum wage?</i>	Yes	The employee is paid above 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 as such the council has complied with its duties under legislation. From the paperwork seen, the National Salary Award 2025 applicable from 1 <sup>st</sup> April 2025 with backpay payable from 1st April 2025 was approved by Council in December 2025.
<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 a sample of payments covering salary and all 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?<sup>6</sup></i>	Yes	Council is aware of its pension responsibilities, and the member of staff is enrolled into a pension scheme provided by the employer.
<i>Have pension re-declaration duties been carried out</i>	Yes	From paperwork seen, the council completed its re-declaration of compliance with The Pensions Regulator on 1 <sup>st</sup> April 2025 as confirmed reported to full council at the meeting of 7 <sup>th</sup> May 2025.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.
<b>Additional comments:</b>		

<b>Section 9 – Year End procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis.

<sup>6</sup> The Pension Regulator – [website click here](#)

<i>Financial trail from records to presented accounts</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. 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.
<i>Has the appropriate end of year AGAR<sup>7</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and/or expenditure exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. The Accounting Statements were submitted in draft form for the internal audit review on the AGAR Form 3.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the council had gross income and expenditure exceeding £25,000 during 2024-2025 it was not able to declare itself exempt from a limited assurance review for the year ending 31 <sup>st</sup> March 2025.
<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 period for the public rights exercise was set at the meeting of 13 <sup>th</sup> May 2025 and covered the period 3 <sup>rd</sup> June to 14 <sup>th</sup> July 2025. It is confirmed that the notice of the public rights for the year ending 31 <sup>st</sup> March 2025, dated 28 <sup>th</sup> May 2025, was found on the council operated website. <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. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i>
<i>Have the publication requirements been met in accordance with the Regulations?<sup>8</sup></i>	Yes	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, but not exceeding £6.5 million, as it published the following on its website:

<sup>7</sup> Annual Governance & Accountability Return (AGAR)

<sup>8</sup> Accounts and Audit Regulations 2015

		<p>Annual Internal Audit Section 1 - Annual Governance Statement Section 2 - Accounting Statements 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.</p>
<b>Additional comments:</b>		

<p><b>Section 10 – Risk management</b> 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.</p>		
<b>Evidence</b>		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the council at its meeting of 9 <sup>th</sup> December 2025.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall, the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences. <i>Comment: council has in place monitoring documents which identify the risks involved with and the potential for improvements to its arrangements to protect public money. It provides the opportunity for reviews of operational as well as financial and governance reviews by members to ensure that it has mitigation measures in place to address the risks associated with the council's day to day operations.</i>

<p><i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i></p>	<p>Yes</p>	<p>Council has insurance in place under a Charity and Community (Essentials) Policy with Ansvar Insurance. The schedule shows core cover for the following: Public Liability £10million; Employer Liability £10million; and Fidelity Guarantee of £250thousand.</p> <p><i>Comment: Council has followed recommended guidance by ensuring that its Fidelity Cover is 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 and/or during the year upon receipt of grants.</i></p> <p>During the year under review, evidenced from a review of the minutes of the meeting of 7<sup>th</sup> May 2025 and 1<sup>st</sup> October 2025, council is able to demonstrate that it is 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 and that annual reviews of the Council's insurance were undertaken prior to renewal.</p> <p><i>Comment: Council has ensured that it 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).</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed<sup>9</sup></i></p>	<p>Yes</p>	<p>Council initially adopted changes to its Internal Control Statement at its meeting on 3<sup>rd</sup> September 2025 to include the governance requirements for Assertion 10 of the Annual Governance Statement. A further consideration of the Internal Control Statement for the year ending 31<sup>st</sup> March 2026 was conducted at the meeting of 7<sup>th</sup> January 2026 following a review via control tests carried out in December 2025.</p> <p><i>Comment: As such, it is evidenced from the document seen, that the council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances.</i></p>
<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including</i></p>	<p>Yes</p>	<p>The council formally reviewed the scope and effectiveness of its internal audit arrangements within the adopted internal control statement.</p>

<sup>9</sup> Accounts and Audit Regulations

<i>consideration of the independence and competence of the internal auditor prior to their appointment<sup>10</sup></i>	<i>Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, the parish council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</i>
<b>Additional comments:</b>	

<p><b>Section 11 – Asset control</b>                  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.</p>		
<b>Evidence</b>	Internal auditor commentary	
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>11</sup></i>	Yes	The Asset Register, as seen on the council's website, reflects those items listed under insurance and within the parish council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2026) is £191,766.27 which reflects movement (acquisitions) during the year under review. For comparison the Asset Register for the year ending 31 <sup>st</sup> March 2025 was £159,208.03.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2025 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.
<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 which was conducted via remote means.

<sup>10</sup> Practitioners Guide

<sup>11</sup> Practitioners Guide

<i>Are copies of licences or leases available for assets sited at third party property?</i>	Yes	Council evidenced a lease between them and East Suffolk Council dated 2 <sup>nd</sup> October 2024 for land to west of The Graylings.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	Whilst the asset register is to be formally presented for approval to the Town Council, it is confirmed that the values seen on the Asset Register – £191,766.27 - match those on the Draft Accounting Statements £191,766 (rounded)
<i>Cross checking of insurance cover</i>	Yes	Council has appropriate insurance under all risks cover for its assets as specified under the headings on the insurance schedule. Specified cover is in place for named items on the schedule.
<b>Additional comments:</b>		

<b>Section 12 – Assertion 10</b>		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners’ Guide 2025.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?<sup>12</sup></i>	Yes	As a Data Controller, all local authorities are required to register with the Information Commissioner’s Office (ICO) in accordance with Data Protection Legislation. It is noted that the council’s registration is due to expire in June 2026. Registration Certificate: ZA251641 refers.
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	Yes	The Freedom of Information Act 2000 requires every public authority to have a publication scheme, approved by the ICO, and to publish information covered by this scheme. Council’s publication scheme was viewed on the website and is held in accordance with the defined guidelines.
<i>Is the Council compliant with the General Data Protection Regulation requirements?<sup>13</sup></i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a Data Protection Policy detailing the manner in which the parish council will protect and handle information relating to personal information. The Policy provides clear responsibilities
<i>Councils must:</i>		

<sup>12</sup> Data Protection Act 2018

<sup>13</sup> UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

<ul style="list-style-type: none"> <li>• <i>Comply with their legal &amp; statutory obligations under UK GDPR &amp; The Data Protection Act 2018</i></li> <li>• <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i></li> <li>• <i>Recognise their role as both data controller and data processor</i></li> </ul>		<p>and obligations of the council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. To ensure compliance with the General Data Protection Regulation requirements, council has also adopted and published policies which will detail the procedures for dealing with subject access and the manner in which personal information will be protected from data breaches.</p> <p>Council has a Document Disposal and Retention Policy in place to cover the measures that the council will undertake to ensure adequate provision for the preservation of documents, books and papers belonging to the parish.</p> <p><i>Comment: to ensure compliance with the data protection regulations, council conducts regular data audits to identify the personal information held by the council, the manner in which it is held and the lawful basis in which the information is being processed.</i></p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p><i>Work in progress</i></p>	<p>Whilst the Local Government Transparency Code 2015 applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,000, Councils with income over £25,000 but under £200,000 are expected (but are not legally required to do so) to follow its recommendations.</p> <p><i>Comment: Council might wish to review its provisions and consider whether it might be able to work towards ensuring compliancy with the requirements of publishing the following data on its website in accordance with the required timescales:</i></p> <p>For Carlton Colville Town Council, the transparency code requirements will include the publication of quarterly reporting of spending transactions valued over £500 (note salary details are exempt); 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>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>14</sup></i></p>	<p><i>Ongoing</i></p>	<p>The Council has published a website accessibility statement on the council operated website (<a href="https://www.carltoncolvilletowncouncil.gov.uk/town-council/website-accessibility-statement/">https://www.carltoncolvilletowncouncil.gov.uk/town-council/website-accessibility-statement/</a>) detailing the technical information</p>

<sup>14</sup> Website Accessibility Regulations 2018

		<p>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 Web Content Accessibility Guidelines. The statement seen above references the standards of the Web Content Accessibility Guidelines (WCAG 2.1 Level AA). It is noted that council commissioned an Accessibility Report which identified errors and warnings and gave an overall accessibility score which indicated a solid foundation with room for enhancement.</p> <p><b>Recommendation: Council should seek to update its Accessibility statement and reference how the website complies with the WCAG 2.2 AA Standards under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</b></p>
<i>Has website accessibility been tested, at least annually?</i>	Yes	The council's Website Accessibility Statement states that the website was reviewed in July 2025.
<i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?<sup>15</sup> For example <a href="mailto:clerk@abccouncil.gov.uk">clerk@abccouncil.gov.uk</a> or <a href="mailto:clerk@abccouncil.org.uk">clerk@abccouncil.org.uk</a></i>	Yes	Council currently operates with the website <a href="https://www.carltoncolvilletowncouncil.gov.uk/">https://www.carltoncolvilletowncouncil.gov.uk/</a> with the authority owned domain name supporting a secure and digitally managed email system for staff and councillors.
<i>Does the council have an IT policy that is tailored to the council?<sup>16</sup></i>	Yes	Council has adopted an IT Policy for use of IT equipment for authority business for both Staff and Councillors which explains how all involved with the authority - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This also relates to the use of authority-owned and personal equipment.
<b>Additional comments:</b>		

### Section 13 – Internal audit

The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.

<sup>15</sup> Practitioners Guide

<sup>16</sup> Practitioners Guide

Evidence		Internal auditor commentary
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 <sup>st</sup> March 2025 was formally considered by and approved for adoption at the meeting of full Council of 4 <sup>th</sup> June 2025.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	N/A	There were no matters or recommendations arising from the report that required an action plan to address areas of improvement or development. <i>Comment: it was noted at the meeting that the Accessibility Statement on the website need to be updated.</i>
<i>Has the Council confirmed the appointment of an internal auditor?<sup>17</sup></i> <i>Has the letter of engagement been approved by full council?<sup>18</sup></i>	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2025 - 2026 was approved at the council meeting of 7 <sup>th</sup> January 2026. <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i> The letter of engagement was approved at the meeting of 4 <sup>th</sup> March 2026. <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>
<b>Additional comments:</b>		

<b>Section 14 – External audit for the period under review</b>	
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.	
Evidence	Internal auditor commentary

<sup>17</sup> Practitioners' Guide

<sup>18</sup> Practitioners' Guide

<i>Has the Council considered the previous external audit report?</i> <sup>19</sup>	Yes	The External Audit Report and Certificate for the year ending 31 <sup>st</sup> March 2025 was presented to full council at its meeting of 1 <sup>st</sup> October 2025.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	There were no matters raised and the report details a certification which was completed with no exceptions.
<p>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.</p> <p><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>		

<p><b>Section 15 – Additional information</b>                  The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.</p>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>20</sup>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 7 <sup>th</sup> May 2025 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>21</sup>	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.

<sup>19</sup> 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.*

<sup>20</sup> The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

<sup>21</sup> Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

<i>Is there a list of members' interests held?</i>	Yes	A copy of the members' interests for all serving councillors was seen on the district council's website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council has no declared trustee responsibility.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council uses a system whereby a back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	The terms of reference for the Personnel and Planning Committees were reviewed at the annual council meeting of 7 <sup>th</sup> May 2025.
<b>Additional comments:</b>		

Signed: Victoria Waples

Date of Internal Audit review: 04.04.26 - 07.04.26

Date of Internal Audit Report: 08.04.26

On behalf of Suffolk Association of Local Councils