Internal Audit Report for Kessingland Parish Council

for the period ending 31 March 2026

Clerk	Shelley Hogg
RFO (if different)	-
Chairperson	Councillor Stephen James
Precept	£184,217.24
Income	£202,222.11
Expenditure	£181,145.20
General reserves	£ 45,226.18
Earmarked reserves	£154,543.39
Audit type	Annual – Non-Exempt Authority
Auditor name	**Victoria Waples**

Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 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

Section 1 – Financial Regulation and Standing Orders The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		*Internal auditor commentary*
Have Standing Orders been adopted, up to date and reviewed annually?	*Yes*	Council's Standing Orders, as adopted at the meeting of 14th January 2026, are based on the model published by the National Association of Local Councils (NALC) in 2018 with revisions in 2022 and 2024. **Recommendation: council should seek to adopt the updated Model Standing Order (England) 2025 which contain amendments to section 18 to comply with new procurement legislation and ensure consistency with the revised Model Financial Regulations.**
Are Financial Regulations up to date and reviewed annually?	*Yes*	Financial Regulations were reviewed at the meeting of 30th March 2026 and whilst undated, they are based on the NALC Model Financial Regulations published in March 2025. *Comment: council might wish to review the NALC Advice Note – Procurement, 3 February 2026 link to view the advice note and ensure any applicable revisions are incorporated at the next annual review.*
Has the Council properly tailored the Financial Regulations?	*Yes*	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)?[1]	*Yes*	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. Council's own financial regulation 1.5 confirms that the Clerk is so appointed.
Additional comments:		

[1] Section 151 Local Government Act 1972

Section 2 – Budgetary controls The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
Verify that budget has been properly prepared and agreed	*Yes*	The budget for the year 2025 - 2026 was approved at the Council meeting of 8th January 2025 and set at £184,217.24. The budget for the year 2026 - 2027 was approved at the council meeting of 14th January 2026. There is no reference within the minutes of the budget being set but Council is able to demonstrate that overall, it has ensured that authority members understand the manner in which the budget is put together and the resultant importance for its use in the running of the authority. **Recommendation: this outstanding audit point should be addressed.**
Verify that the precept amount has been agreed in full Council and clearly minuted	*Yes*	The precept for the year 2025 – 2026 was set at £184,217.24 at the meeting of 8th January 2025. The minutes fail to show the impact this would have on a Band D Dwelling. The precept for the year 2026 - 2027 was discussed and approved at the meeting of 14th January 2026 and set at £188,857.50, as recommended by the Finance and Governance Committee which would be a 3.5% increase over that set for the prior year. *Comment: in accordance with best practice, council should record the impact the precept being set would have on a Band D Dwelling in percentage as well as monetary terms.*
Regular reporting of expenditure and variances from budget	*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 and are used as the basis of approval for virements in accordance with council's own Standing Orders and Terms of Reference. *Comment: council is acting in accordance with the timescales as specified in its own Standing Order 17c. The reports submitted allow for early warnings*

		of a shortfall (or surplus) thereby allowing the council to take corrective action where necessary.
Reserves held – general and earmarked[2]	*Yes*	The Council, as at year-end, had overall Reserves totalling £199,769.57 with General Reserves totalling £45,226.18 and Earmarked Reserves of £154,543.39. Council has, within its own Reserve Policy, (as reviewed and adopted by Council at its meeting of 30th March 2026) set a limit to be held for its general reserve and is aware that this will be subject to further reviews to include cash flow requirements, inflationary and interest rates, diversification of funds to spread risk and optimize interest returns. The adopted policy states that the general fund balance is to be maintained at a level based upon a risk assessment carried out annually by the Responsible Finance Officer (RFO) when setting the budget for the forthcoming year. Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept. *Comment: Council has noted guidance, as issued by Proper Practices (March 2024), which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with its general reserve policy. It is still generally held that councils with income and expenditure in excess of £200,000 should plan towards three months equivalent general reserve and that those councils with self-generated income, should take into account situations that may lead to a loss of revenue as well as increased costs.* Whilst there is no upper or lower limit to EMRs, save only that they must be held for genuine and identifiable purposes and projects, council has ensured that the levels set are subject to regular review and justification (at least annually and at budget setting) and that they are separately identified and enumerated.

[2] 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

Additional comments:

Section 3 – Proper bookkeeping The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		*Internal auditor commentary*
Is the ledger maintained and up to date?	*Yes*	The council continues with its use of the Scribe Financial Software accounting package which produces a suite of tools to allow for reporting on an income and expenditure basis. The financial software used by the Council allows the automation of many of its transactions involving income and expenditure and employee payroll, as well as reports and financial statements. This type of accounting procedure used by the RFO gives a more accurate presentation of the authority's true financial position by ensuring that there is detailed focus on the balance of economic benefits under the council's control, rather than just its bank balance.
Is the ledger on the correct basis in relation to the gross income/expenditure?	*Yes*	Council's gross income and expenditure level is above the threshold of £200,000 and has been for three (3) continuous years. Council's operating above this limit for a period of three continuous years must report their financial details on an income and expenditure basis. Council has correctly applied this process to its financial reporting. *Comment: council is aware that for income and expenditure reporting, it must reflect all income and benefits received, and all expenditure, in the relevant reporting period.*
Is the cash book up to date and regularly verified?	*Yes*	The cashbook is reconciled on a regular basis with verifications of the cashbook against bank statements undertaken and recorded as having been reconciled. It is confirmed that the correct roll forward from the prior year was stated in the new financial year.
Is the arithmetic correct?	*Yes*	The functionality of the cashbook was found to be in order.

Additional comments: statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law. **Recommendation: the RFO should fully explore the implementation of the use of the cashbook to make reference to the powers used to incur expenditure.**

Section 4 – Payment controls The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
Evidence		*Internal auditor commentary*
Is there supporting paperwork for payments with appropriate authorisation?	*Yes*	In accordance with its own Financial Regulations covering Banking and Payments, expenditure is presented to council on a monthly basis for review and authorisation for payment is made by resolution. The Finance and Governance Committee, under delegated powers monitors income and expenditure, reviews banking and investments, and oversees financial compliance thereby ensuring public money is managed responsibly, transparently and in accordance with the law. A selection of random payments was cross checked against financial statements submitted to the meetings, cash book, bank statement and invoices and all were found to be recorded / authorised in accordance with Proper Practices. A financial statement detailing the payments made is referenced within the minutes at which the payments were so authorised. For the year under review, there were no tenders or contracts over £30,000 including VAT, for which the council needed to comply with the requirements of the Procurement Legislation regarding the publication of invitations and notices. Nor were there any contracts estimated to exceed £30,000 including

		VAT, for which the Clerk needed to advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation.
Where applicable, are internet banking transactions properly recorded and approved?	*Yes*	Council has ensured that, for the settlement of its invoices by the BACS system, and in accordance with Financial Regulation 7.1, there is a two-tier authorisation system which ensures that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. *Comment: with reference to council's own Financial Regulation 6.7 payments made in relation to a continuing contract or obligation (which have been authorised in advance) are reported to the next appropriate meeting of the Council. Such reports are also included in the payments, receipts and bank balances submitted to full council for information only*
Is VAT correctly identified, recorded, and claimed within time limits?	*Yes*	VAT is identified in the cash book and reclaimed on an annual basis. The VAT Assessment File as produced by the accounting package operated by the RFO was reviewed and verified. The year-end recoverable VAT figure of £9,803.39 was seen and interrogated and reflects that which is shown on the Balance Sheet, as submitted. It is confirmed that the VAT reclaim for the period ending 31st March 2025 in the sum of £9,930.94 was settled on 6th May 2025. Sample tests were undertaken by the Internal Auditor to ensure that the VAT element within payments is being clearly identified and appropriately accounted for within the accounting system. For the period under review, the Finance Officer has ensured that VAT has been appropriately identified in relation and correctly coded according to the council's business and non-business activities within the financial records of the software used thereby confirming that robust arrangements are in place for managing its responsibilities regarding VAT. *Comment: the RFO 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).*

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly?[3]	*N/A*	Council has not declared that it is able to use the general power of competence.
Are payments under s.137[4] separately recorded, minuted and is there evidence of direct benefit to electorate?	*Yes*	Payment incurred under this category totalled £250 against an annual budget of £1,950 and was in line with statutory limits and deemed to be able to demonstrate that the benefits would be commensurate with the expenditure. *Comment: in accordance with an identified internal control objective, council ensures that there is clear reference to the exact power under which such expenditure is approved and the RFO has fully utilised the financial software to list the S137 payments separately.*
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	*N/A*	The council has no such loans.
Additional comments:		

Section 5 – Income controls The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
Is income properly recorded and promptly banked?	*Yes*	During the year under review, Council received income from a number of identified sources all of which was banked intact with the transactions identified within the accounting system operated by the RFO. Spot checks undertaken during the internal audit visit on items paid under BACS / Direct

[3] Localism Act

[4] *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.*

		Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Council. *Comment: the accounting system utilised by the RFO allows for the sums received and deposited intact with the council's bankers to record the origin of each receipt so that clear referencing is achieved in the financial records held by the council.* In accordance with Financial Regulation 13.2, Council understands that it should review all fees and charges annually, with increases as deemed appropriate, following a report as submitted by the Responsible Financial Officer. At the meeting of 7th May 2025, full council agreed that all the fees and charges would remain the same except for the football fees that will increase from £66 to £75 per month. *Comment: council is aware that fee reviews are essential to ensure that the council's income module remains competitive as well as ensuring profitability is maintained. This will ensure that the council's revenue streams are fully optimized allowing for adjustments where necessary.* A sample review of the control charges was undertaken during the internal audit review, and all expected income was found to be based on the correct price, properly recorded and promptly banked with VAT (where appropriate) accounted for. *Comment: in accordance with proper practices, Council has ensured that there are appropriate control procedures in place along with documentation to provide a clear audit trail through to invoicing and recovery of all such income.*
Is income reported to full council?	*Yes*	A review of the financial transaction reports was undertaken to ensure income was coded to the appropriate nominal income code and all were found to be in order with appropriate control procedures and documentation to provide a clear underlying audit trail through to invoicing and recovery of all such income. There were no outstanding debts as at year-end. *Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of members, or under delegated authority by the Responsible Financial Officer and that such approval should be shown in the accounting records.*
Does the precept recorded agree to the Council Tax Authority's notification?	*Yes*	Council received precept in the sum of £184,217.24 from East Suffolk Council for the period under review in April and September 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.
If appropriate, are CIL reporting schedules in accordance with the Regulations?[5]	*Yes*	For the period under review Council received CIL Receipts in the sum of £7,178.67 (April £5,991.35 and October £1,187.32).
Is CIL income reported to the council?	*Yes*	CIL receipts received are reported within the financial reports submitted to the Finance and Governance Meetings, the minutes of which are submitted to fully Council.
Does unspent CIL income form part of earmarked reserves?	*Yes*	The CIL financial overview report for 2025 - 2026 shows a year-end balance of £225.67 following a total spend in the year of £6,953.00 which is retained in Earmarked Reserves specifically allocated, in accordance with the Regulations.
Has an annual report been produced?	*Yes*	The Annual CIL Statement for 2025 - 2026 has been produced and has been approved by full Council.
Has it been published on the authority's website?	*Yes*	The statement for the year ending 31st March 2026 was confirmed as being present on the council's website and reflects the sums incurred, expended and retained by the council. *Comment: council is aware that the Regulations provide clarity on the timing of the reports, and by which date they should be brought into the public domain.*
***Additional comments*:**		

Section 6 – Petty cash The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.	
Evidence	Internal auditor commentary

5 Community Infrastructure Levy Regulations 2010

Is petty cash in operation?	*Yes*	Petty cash is operated and managed in accordance with Council's own Financial Regulation 10.1. All petty cash payments are supported by receipts and are entered into the petty cash book. Petty cash reconciliations are conducted on a regular basis with sufficient funds to allow the float to be adequately maintained. A spot check of items recorded in the cash book were checked against receipts and cash book sheets and found to be in order. The petty cash funds are kept in a locked drawer.
If appropriate, is there an adequate control system in place?	*Yes*	There is an adequate control system in place. *Comment: in accordance with proper practices, the petty cash float is adequate in size to meet small items of expenditure.*
Additional comments:		

Section 7 – Bank reconciliation The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	*Yes*	Bank reconciliations were completed on a regular basis throughout the year. with independent scrutiny of the bank reconciliation being carried out by a nominated Councillor. An interrogation of the cash book and bank statements provided demonstrated 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). Overall, there is regular reporting of bank balances within the detailed financial reports submitted to the Council. The reconciliations conducted allow for the process of comparing internal records against statements from financial institutions and

		other external sources to ensure money that exits in an account matches money spent. *Comment: council has noted 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 evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.*
Do bank balances agree with bank statements?	*Yes*	Bank balances as of 31st March 2026 stood at £190,743.18 across the accounts held in the parish council's name. In accordance with the council's adopted Financial Regulations, the Parish Clerk, as Responsible Financial Officer, has been appointed as Service Administrator and contact for the council's bank accounts and is authorised to deal with administrative matters and give instructions on behalf of the Council as necessary to protect the Council's investment. The internal auditor is able to state that, with reference to the accounting records, the year-end position is noted and confirmed as being in accordance with that shown on the cashbooks and on the Draft Accounting Statements.
Is there regular reporting of bank balances at Council meetings?	*Yes*	Balances across the Council's accounts are reported at each meeting of the Finance and Governance Committee and received at full Council meetings. Council's internal control statement confirms that reconciled accounts including bank reconciliation are presented to the council at council meetings. This will not only demonstrate good practice but will also act as a safeguard for the RFO. *Comment: those completing the internal control test relating to the review of regular bank reconciliations should ensure that sight of all bank / investment statements (or books) is obtained to accurately compare the cash records with the bank statement thereby ensuring accuracies and identifying discrepancies.*
Additional comments: *regular reviews of the bank mandates ensures that the mandate is still necessary and that the authorized individuals have not changed. This helps prevent unauthorized access to the bank account and ensures that all necessary documentation is up-to-date and that the mandate is in line with current regulations.*		

Section 8 – Payroll controls The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
Do all employees have contracts of employment?	*Yes*	Council had eight employees on its payroll at the period end of 31st March 2026. The Clerk has confirmed that all staff have a Contract of Employment in place.
Has the Council approved salary paid?	*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. *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.*
Are all employees paid at least the minimum wage?	*Yes*	All employees are paid above the minimum wage.
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?	*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. The National Salary Award 2025 applicable from 1st April 2025 with backpay payable from 1st April 2025 has been implemented. *Comment: As identified in the Council's adopted Risk Register, the Clerk is responsible for ensuring that all overtime is approved and that payroll information complies with each employee's contract.*
Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?	*Yes*	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. The payroll is outsourced run using third-party HR software to ensure tax, NI and pension figures are correct. Cross-checks were completed on payments covering salary and PAYE were found to be in order with tax being appropriately calculated and NI deductions and employer contributions correctly applied. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.

		Comment: gross pay has been calculated in accordance with the approved spinal column point and in accordance with contracted hours.
Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?[6]	*Yes*	Council is aware of its pension responsibilities, and three members of staff are enrolled into the pension scheme provided by the employer.
Have pension re-declaration duties been carried out	*Yes*	From paperwork seen, the council completed its re-declaration of compliance with The Pensions Regulator on 21st May 2025.
Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?	*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.
Additional comments:		

Section 9 – Year End procedures		
Evidence		*Internal auditor commentary*
Are appropriate accounting procedures used?	*Yes*	Accounts are produced on an income and expenditure basis. The financial accounting package has allowed the council to accurately track transactions that straddle two accounting periods. The year-end adjustment files were reviewed to ensure that year-end adjustments accurately reflected the instances where the council has received the economic benefits or given others economic benefits in the current year and future year.
Financial trail from records to presented accounts	*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. It is confirmed that the RFO has ensured that the Council's accounting software contains and records details on its assets and liabilities including the asset and investment register and other debts. The accuracy of the year-end bank reconciliation detail is verified along with the correct

[6] The Pension Regulator – website click here

		disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. Year-end balances agree with cash book and bank reconciliations: VAT Account: £9,803.39 Bank Accounts: £190,743.18 Creditors (Liability): £777.00 Represented by: Total Reserves: £199,769.57
Has the appropriate end of year AGAR[7] documents been completed?	*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.
Did the Council meet the exemption criteria and correctly declared itself exempt?	*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 31st March 2025.
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?	*No*	The internal auditor is able to confirm that the period for the public rights exercise covered the period 25th June to 5th August 2025. However, it is confirmed that the notice of the public rights for the year ending 31st March 2025, was dated 25th June 2025 and should have been dated one day before the start of the period for the public rights exercise. *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.* **Recommendation: council should follow the guidelines as written in the setting of the dates for the period of the exercise of public rights and ensure that the date of the notice is one day prior to the**

[7] Annual Governance & Accountability Return (AGAR)

		commencement of the period. As per the instructions from the external auditor, the parish council should answer in the negative to Assertion 4 for the year 2025-2026.
Have the publication requirements been met in accordance with the Regulations?[8]	*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: 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.
Additional comments:		

Section 10 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	*Yes*	The Council's Risk Register risk 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 30th March 2026. Within the risk register, council has correctly identified the internal control objective that should apply in any organisation in relation to the management of access to bank mandates.

[8] Accounts and Audit Regulations 2015

		Comment: Regularly reviewing bank mandates should be seen as a crucial part of maintaining the security and efficiency of the Council's financial operations and in accordance with adopted Financial Regulation 6.1, the council's banking arrangements, including the bank mandate, should be made by the RFO and authorised by the council.
Is there evidence that risks are being identified and managed?	*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. *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.*
*Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee **and** has been reviewed on an annual basis?*	*Yes*	During the period under review, council had insurance in place under a Local Councils policy with Clear Councils. The policy schedule shows core cover for the following: Public liability: £10million; Employers Liability: £10million; Hirers' Liability £2million and Fidelity Guarantee of £500thousand. Premise cover is identified on four buildings in the ownership / remit of the council for insurance purposes. *Comment: it is confirmed that council followed guidance which recommends that the Fidelity Cover is sufficient to provide cover that was equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May thereby reducing the council's exposure to the risks associated with the handling of money, securities and property.* During the year, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, annual reviews of the council's insurance were undertaken prior to renewal. From paperwork seen, council is able to demonstrate that it has reviewed the risks facing the council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things), and has satisfied

		itself that there are no materials facts which might influence the acceptance or assessment of the risks covered by the policy. *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).*
Evidence that internal controls are documented and regularly reviewed[9]	*Yes*	Confirming that the council is operating within its own internal control, formal evidence (via a minute reference) was given at the meeting of the Council on 30th March 2026 that council had reviewed the effectiveness of its review as outlined in its Statement of Internal Control for the year ending 31st March 2026. A series of internal control tests carried out in the same month fed into the overall review thereby allowing the council to assess the operational effectiveness of its internal controls. *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.*
Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment[10]	*Yes*	The council formally reviewed the scope and effectiveness of its internal audit arrangements within the adopted internal control statement. *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.*
Additional comments:		

[9] Accounts and Audit Regulations
[10] Practitioners Guide

Section 11 – Asset control The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?[11]	*Yes*	The Asset Register is held on a computerised system and covers those items listed under insurance and within the parish council's remit for maintenance and ownership. Council's asset policy defines fixed assets as items of machinery and equipment which have a useful life of more than one year. The Asset Register currently stands at £591,628 and shows overall movement to that declared at the year-end of 31st March 2025 (£572,031) taking into account acquisitions and disposals during the year under review. The Internal Auditor reviewed the Asset Register to allow the spot check to be conducted.
Is the value of the assets included? (Note value for insurance purposes may differ)	*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.
Are records of deeds, articles, land registry title number available?	*N/A*	Records of deeds, articles, land registry title number were not reviewed during the internal audit.
Are copies of licences or leases available for assets sited at third party property?	*N/A*	Council has declared that it does not have any assets located on third party property.
Is the asset register up to date and reviewed annually?	*Yes*	The asset register was formally presented for approval to the Council at its meeting on 30th March 2026 and it is confirmed that the values seen on the Asset Register – £590,055 - match those on the Draft Accounting Statements. The register held provides clear identification for each asset in

[11] Practitioners Guide

		terms of purchase cost (or proxy if unknown); purchase date (where known); and location
Cross checking of insurance cover	*Yes*	The Asset Register was reviewed during the Internal Audit Visit and a spot check of assets against the insurance schedule was undertaken to ensure that all assets are recorded appropriately and under insurance. Council has insurance under all risks cover for items within generic headers.
Additional comments:		

Section 12 – Assertion 10 The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners' Guide 2025.		
Evidence		*Internal auditor commentary*
Has the Council registered with the Information Commissioner's Office (ICO)?[12]	*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. Registration Certificate: ZA287505 with an expiry date of 16th October 2026 refers.
Is there an adopted council publication scheme and is it reviewed regularly?	*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, as adopted on 30th March 2026, was viewed on the website and is held in accordance with the defined guidelines
Is the Council compliant with the General Data Protection Regulation requirements?[13] *Councils must:* • *Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018*	*Yes*	Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a Data Protection and Information Management Policy detailing the manner in which the parish council will protect and handle information relating to personal information. The Policy provides clear responsibilities and obligations of the council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR and includes provisions for BYOD and records

[12] Data Protection Act 2018
[13] UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

• *Process personal data lawfully, fairly and in line with the prescribed data protection principles* • *Recognise their role as both data controller and data processor*		management and retention. 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. *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.*
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	*Work in Progress*	The Council has reviewed the provisions of the Local Government Transparency Code 2015 (applicable to local authorities with annual income or expenditure (whichever is the higher) over £200,000) and is working towards ensuring compliancy with the requirements of publishing the following data on its website in accordance with the required timescales. For Kessingland Parish 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 reporting of contracts awarded 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. *Comment: Appendix A of the Local Government Transparency Code 2015 (published February 2015) provides further details of all information to be published along with relevant timescales. Council is advised to check the frequency of the publication of certain data sets.* *A link to the guide can be found at: [Transparency Code 2015]*
Has the Council published a website accessibility statement on their website in line with Regulations?[14]	*Yes*	The Council has published a website accessibility statement on the council operated website (https://www.kessinglandparishcouncil.gov.uk/accessibility-statement/) detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility

[14] Website Accessibility Regulations 2018

		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). *Comment: The Council has produced a statement which details why the website is partially compliant with the Web Content Accessibility Guidelines version 2.2 AA standard giving reasons for the non-accessible content. The statement confirms that the Council conducts monthly and quarterly reports to identify and address accessibility issues*
Has website accessibility been tested, at least annually?	*Yes*	The council's Website Accessibility Statement states that the website was last tested on 2nd February 2026. Tests were carried out on a sample of pages across the site by both internal systems and our website provider, Red Dune Web Design. The statement was updated on 24th February 2026.
Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?[15] For example clerk@abccouncil.gov.uk or clerk@abccouncil.org.uk	*Yes*	Council currently operates with the website (https://www.kessinglandparishcouncil.gov.uk/ with the authority owned domain name supporting a secure and digitally managed email system for staff and councillors.
Does the council have an IT policy that is tailored to the council? [16]	*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.
Additional comments:		

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.

[15] Practitioners Guide
[16] Practitioners Guide

Evidence		*Internal auditor commentary*
Has the Council considered the previous internal audit report?	*Yes*	The Internal Audit Report for the period ending 31st March 2025 was formally considered by and approved for adoption at the meeting of the Parish Council of 18th June 2025.
Has appropriate action been taken regarding the recommendations raised?	*Yes*	Members received the internal audit report at the above meeting and noted the comments and recommendations raised within the report. The following recommendations made are in the process of / have been addressed being addressed: 1. Increase Fidelity Guarantee cover at least the total of the year-end balance half the precept amount. 2. Specify in the minutes the approved budget 3. Record in the minutes the precept being set 4. Annual review of the asset register 5. Publication of information in accordance with the Transparency Code
Has the Council confirmed the appointment of an internal auditor?[17] *Has the letter of engagement been approved by full council?[18]*	*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 11th February 2026. *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.* The letter of engagement was approved at the meeting of 11th February 2026. *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.*
Additional comments:		

[17] Practitioners' Guide
[18] Practitioners' Guide

Section 14 – External audit for the period under review The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		*Internal auditor commentary*
Has the Council considered the previous external audit report?[19]	*Yes*	The External Audit Report and Certificate for the year ending 31st March 2025 was presented to full council at its meeting of 8th October 2025.
Has appropriate action been taken regarding the comments raised?	*Yes*	The following matters were raised in the certificate: Section 1, Assertion 8 has been incorrectly completed, the smaller authority has confirmed that this assertion should have been answered 'Yes'. The AGAR was not accurately completed before submission for review. The smaller authority has not restated the prior year figure when making corrections to the fixed asset register, and therefore Section 2, Box 9, for assets purchased in earlier years. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.re were no maters raised and the report details a certification which was completed with no exceptions. The following matters were brought to the attention of the smaller authority: "We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2025/26 for the exercise of public rights, since the notice regarding the period for the exercise of public rights was not published before the start of the period. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27. In the completion of the Annual Internal Audit Report, and their detailed reports, the internal auditor has drawn attention to weaknesses in relation to approval of the asset register and minutes relating to approval of the

[19] 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.*

		budget and precept. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner"
Additional Comments: The Internal Auditor is able to verify that the external auditor report and certificate along with the conclusion of the external audit have been published on the Council's website in accordance with the prescribed timescales. Details as to how copies may be purchased have also been included. *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.*		

Section 15 – Additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		*Internal auditor commentary*
Was the annual meeting held in accordance with legislation? [20]	*Yes*	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 7th May 2025 in accordance with legislation in place at that time.
Is there evidence that Minutes are administered in accordance with legislation? [21]	*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. On occasions it has been necessary for the council to go into closed session (HR and contract issues). The minutes should always record the basic reason for excluding the press and public, to avoid questioning of the legitimacy of the exclusion and to prevent uniformed speculation. There should also be a minute reference to confirm the resolution that was taken. The word of such a resolution must not disclose or otherwise undermine confidential information or other sensitive information that is not in the public interest.

[20] The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)
[21] Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		Recommendation: Minutes of meetings in closed sessions must always record the basic reason for excluding the press and the public and resolutions that are confidential must not undermine or disclose the confidential or other sensitive information but must provide clarity as to the resolution that was made.
Is there a list of members' interests held?	*Yes*	A copy of the members' interests for all serving councillors was seen on the District Council's website with a direct link from the Council's website.
Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?	*N/A*	Council has no declared trustee responsibility.
Is there evidence that electronic files are backed up?	*Yes*	Council's day to day records are subject to regular back-ups to a cloud-based secure system.
Do terms of reference exist for all committees and is there evidence these are regularly reviewed?	*Yes*	The terms or reference for the Council's Standing Committees were approved at the meeting of 5th May 2025.

Additional comments:
The Internal Auditor offers her appreciation for the assistance given by the Clerk in completing this audit. The examination of the year-end accounts and supporting documentation has confirmed that the Clerk as Responsible Financial Officer has satisfactorily undertaken the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

Recommendations made and/or commentary provided are to enhance the systems in place as opposed to detract from the positive assurance that can be given as to the manner in which the Council's finances are managed.

Signed: Victoria Waples

Date of Internal Audit Visit: 11.05.2026 – 15.05.26

Date of Internal Audit Report: 15.05.2026

On behalf of Suffolk Association of Local Councils