

Internal Audit Report for Shotley Parish Council for the period ending 31 March 2025

Clerk	Dina Bedwell
RFO (if different)	-
Chairperson	Councillor Richard Wrinch
Precept	£ 67,550.00
Income	£ 78,281.02
Expenditure	£100,620.53
General reserves	£ 70,909.44
Earmarked reserves	£ 87,842.74
Audit type	Annual – non-exempt authority
Auditor name	Victoria Waples

Introduction

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

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

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

- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2024/25 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses the Rialtas Financial Software accounting package. The financial software used by the council allows the automation of many of its transactions involving income 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. Council follows proper practices in ensuring that its accounting procedure gives an accurate presentation of an authority’s true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance and the Responsible Financial Officer (RFO) has ensured that there are clear financial management reports submitted to the council on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order.
Additional comments:		

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Council's Standing Orders, were initially reviewed at the meeting of 20 th March 2025 and again on 15 th May 2025 and are based on the latest model published by the National Association of Local Councils (2025). <i>Comment: council should ensure that the date of adoption of the standing orders is either inserted below the list of contents or as a footnote. Any subsequent proposal for amendment should be made to full council and recorded within the adopted standing orders.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations, as seen on the Council's website were reviewed at the same meeting and are based on the NALC Model Financial Regulations 2025. <i>Comment: as advised in the model financial regulations produced by NALC, once this model has been tailored to fit the council's needs, the resulting Financial Regulations (with the insertion of the council's name at the top) should be adopted at a meeting of the full council. The date of adoption should be inserted below the Contents.</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)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. Council's Financial Regulation 1.5 confirms that the Clerk is so appointed.
Additional comments:		

¹ Section 151 Local Government Act 1972 (d)

Section 3 – Payment controls		
The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
Evidence		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	<p>A selection of random payments were cross checked against minutes, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. Council follows the authorisation procedures as set up under its adopted financial regulations as well as the internal controls that have been put in place to safeguard public finances. Financial Regulation 6.5 states that “All payments shall be made by online banking/cheque, in accordance with a resolution of the council unless the council resolves to use a different payment method” whilst 6.2 states that “Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing”.</p> <p>Whilst council on the whole is mindful of its own Financial Regulation 6.10, a detailed list of the of payments requiring authorisation, forming part of the agenda for the meeting, was not seen for the meetings of February and March 2025.</p> <p>Recommendation: council should ensure that the authorised schedule detailing the list of payments authorised should be disclosed within the minutes or as an attachment to the minutes of that meeting.</p>
Where applicable, are internet banking transactions properly recorded and approved?	N/A	Internet banking is not operated by the council.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book and for the year stood at £2,803.92. The claim for the period ending 31 st March 2025, in the sum of £2,803.92 was

		submitted for internal audit review and was submitted after the year had ended. The VAT claim for the year ending 31 st March 2024 in the sum of £7,590.00 was settled in March 2025.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	Council, having declared that it fulfilled the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)), resolved at the meeting of 22 nd June 2023, to use the power until the next relevant Annual Council Meeting (May 2027). Council continues to ensure that the Grant Scheme offered by the Council has clear evidence supporting requests and payments made.
Are payments under s.137 ³ 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	The council has no such loans.
Additional comments:		

² Localism Act

³ Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £10.81 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Section 4 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<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 13 th March 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>
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Yes	Council has insurance in place its main insurance under a Select for Local Council Policy with Zurich Insurance. Core cover for the council's insurance policy is shown as: Public & Products Liability: £10million; Employer's Liability: £10million and Fidelity Guarantee of £300thousand. <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> During the year under review, council is able to demonstrate, as evidenced from a review of the minutes, that it is aware that it is the responsibility of the

		<p>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. Confirmation was given at the meeting in March 2025, that the insurance would be renewed with the current provider. <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>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	<p>At the meeting of 13th March 2025, council adopted an internal control policy covering the scope, purposes and internal control environment. 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.</p>
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i>	Yes	<p>Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting at which the internal control policy was reviewed as this is contained within the document. <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></p>
Additional comments:		

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Section 5 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2024 - 2025 was approved at the Council meeting of 18 th January 2024. The revenue budget for the year 2025 - 2026 was approved at the council meeting of 16 th January 2025. <i>Comment: council, in accordance with best practise, should include within the body of 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 18 th January 2024 confirm that the precept to be levied for the year 2024 – 2025 would be set at £67,550 being a £0.81 or 0.96% increase on a Band D dwelling. The precept for the year 2025 – 2026 was discussed and approved at the meeting of 16 th January 2025 and set at £74,300. Recommendation: in accordance with best practice, council should record, in the minutes, the impact the precept being set would have on a Band D Dwelling in monetary as well as percentage terms.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	The minutes evidence that council conducted reviews covering the budget for the current year with a review of income and expenditure during the year under review. Monitoring statements were produced which included a breakdown of all receipts and payments balance with variances against budgets and details of virements as approved by the council to balance the budget set. <i>Comment: Council in accordance with its own standing order 17c produces regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i>

<p><i>Reserves held – general and earmarked⁶</i></p>	<p>Yes</p>	<p>The Council, as at year-end, had general reserves totalling £158,752.18 of which £87,842.74 were earmarked reserves (which includes the restricted reserve (CIL)).</p> <p><i>Comment: Council has followed 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 and should ensure that the level of general reserves held is in accordance with an adopted General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> <p>Council's adopted Reserve Policy provides clarity on the reasoning behind the holding of reserves and the allocation of its reserves held regarding the setting of the budget for the next financial year.</p>
<p><i>Additional comments: Council has shown good practice by ensuring the recommended key stages as to the budgetary process are followed for the year and has ensured that progress against the budget is reviewed regularly throughout the year.</i></p>		

⁶ In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council’s Financial Regulations. A sample of receipts was checked against cash book and bank statement and found to be in order and recorded 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>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 council’s financial regulations.
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Yes	Council received precept in the sum of £67,550 from Babergh District Council for the period under review as reported to full Council within its Financial Reports at its meetings in May and September 2024. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council’s Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	The CIL schedules show contain a detailed breakdown of receipts and carry forward figures for the year under review.
<i>Is CIL income reported to the council?</i>	Yes	During the year under review, council receive CIL receipts in the sum of £25.05.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL report for 2024 - 2025 shows that there is a carry forward balance at the year ending 31 st March 2025 of £28,367.74.
<i>Has an annual report been produced?</i>	Yes	The annual report was submitted for internal audit review showing the retained figures at year-end.
<i>Has it been published on the authority’s website?</i>	Yes	The report has been uploaded to the council’s website.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

Section 7 – petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
Additional comments:		

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 st March 2025. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that a contract of employment 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 cheque in accordance with council's own Financial Regulations. <i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>Minimum wage paid?</i>	No	No employee is paid the minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation. Amendments to contracts, including overtime payments, are approved by full council prior to being implemented.
<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. Cross-checks were completed on a sample of payments covering salary and all were found to be in order. Deductions due to be paid to HM Revenue and Customs during the year under review were made within the requisite time periods.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities 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, council is due to complete its re-declaration of compliance with The Pensions Regulator in the year 2025-2026.

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

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

Section 9 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as submitted for internal audit review, 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 (31.03.2025) is £123,80.58 which reflects movement during the year following the acquisition of recorded assets. For comparison, the declared value on the asset register as at 31.03.24 was £122,750.58.
<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 2024 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.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	Work required	Council leases land used for a play area from the local authority. A small nominal fee is paid every year in accordance with the lifelong lease. It is confirmed that a request for a copy of the lease is being considered.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register seen was approved by council at its meeting of 5 th June 2025 and the values seen on the Asset Register - £16,551 match those on the approved Accounting Statements.
<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.
Additional comments:		

⁹ Practitioners Guide

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the detailed financial reports submitted to full council. <i>Comment: council has understood that the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances as of 31 st March 2025 agree with the year-end bank statements and at year end stood at £158,752.18 across the accounts held in the parish council's name. <i>Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can ensure that the combined cash and bank balances as identified are included within the AGAR, section 2, line 8.</i>
<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 the council. The minutes of council meetings, demonstrate that an internal review and verification of the bank reconciliation versus the bank statements has been undertaken. <i>Comment: this is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i>
<p>Recommendation: whilst there is prudence in ensuring that protection of the investment is more important than the investment return, council should seek to protect its financial assets and reduce the risks involved in holding sums with one bank and look to the placing of funds within a range of accounts to secure maximum protection under the Financial Services Compensation Scheme.</p> <p><i>Comment: council should also seek to adopt an Investment Policy & Strategy which should reflect statutory guidance on Local Government Investments (3rd Edition) issued under Section 15(1)(a) of the Local Government Act 2003 and will provide clarity on the strategy to be followed by the council and the risks relating to the specified investments.</i></p>		

Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis, and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts were presented for the internal auditor review and confirmation is given that there is a clear financial trail from records to presented accounts.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. The Accounting Statements were approved at the council meeting of 5 th June 2025.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the Parish Council had gross income and expenditure exceeding £25,000 during 2023-2024, it was not able to declare itself exempt from a limited assurance review for the year ending 31 st March 2024.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	The internal auditor is able to confirm that the notice of the public rights seen on the website had the dates of 1 st July to 9 th August 2024. <i>Comment: Within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required “Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection.</i>
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	The Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 for the year ending 31 st March 2024 and published the following on a public website: <ul style="list-style-type: none"> • Notice of the period for the exercise of public rights • Annual Internal Audit Report

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

		<ul style="list-style-type: none">• Notice of conclusion of audit• Section 3 – External Auditor’s Report and Certificate of the AGAR• Sections 1 and 2 of the AGAR (audited) including any amendments as a result of the limited assurance review
<i>Additional comments:</i>		

Section 12 – internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 st March 2024 was formally considered by and approved for adoption at the meeting of full Council of 18 th July 2024.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	None	There were no formal recommendations for the council to consider.
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2024 – 2025 was approved at the council meeting of 20 th March 2025. <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>
<i>Has the letter of engagement been approved by full council?</i>		The letter of engagement was approved at the meeting of 20 th March 2025. <i>Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.</i>
Additional comments:		

Section 13 – external audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?¹²</i>	Yes	The External Audit Report and Certificate for the year ending 31 st March 2024 was submitted to and considered by Full Council with formal adoption at the meeting of 16 th January 2025 following the submission of an interim certificate on 27 th September 2024..
<i>Has appropriate action been taken regarding the comments raised?</i>	Yes	<p>The report from the external auditors details a certification which was completed with no exceptions. There were no further matters to be brought to the attention of the council.</p> <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. Details as to how copies may be purchased have also been included.</p> <p><i>Comment: Council has noted Regulation 20 (in part) which states that the annual audit letter received from the auditor must be considered by the authority and published (including publication on the authority’s website) and to permit copies to be purchased.</i></p>

¹² Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 23 rd May 2024 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	Yes	Council is aware that under LGA 1972 schedule 12, paragraphs 41(1) and 44, the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.
<i>Is there a list of members' interests held?</i>	Yes	A copy of the members' interests for all of the serving councillors was seen on the district council's website. The register of interests on the council's own website was incomplete and not available for all serving councillors.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	The Parish Council has no sole responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	Council should be aware that councils with gross income and expenditure over £25,000 are expected to strive to follow the provisions of the Transparency Code 2015. Recommendation: council, by publishing certain datasets on its website in accordance with the required timescales, would demonstrate that it is working towards compliancy of the 2015 code. Information to be published quarterly: Individual items of expenditure that exceed £500; Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000. Information to be published annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart.

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

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

<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	Yes	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. As defined under the Freedom of Information Act 2000, council has adopted and published a Publication Scheme, tailored to the council which accurately reflects its activities undertaken and the manner in which information will be made available.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has adopted a range of policies to cover the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party and to link this into a Data Retention Policy which would detail the periods for which documentation will be held, along with the methods of disposal. Council should also consider further policies detailing the procedures to be followed for dealing with subject access; freedom of information requests and procedures for dealing with data breaches.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	Council has published a website accessibility statement on the council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council has a shotelyparishcouncil.org domain name which supports a secure and digitally managed email system. Council is aware of the importance of ensuring that it uses a secure e-mail system and has also adhered to the guidance contain within proper practices which recommends that such a system is used to support council's official email accounts for officers.
<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.

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Council does not appear to have reviewed and published the Terms of Reference for its committees. <i>Comment: council should seek to review and publish the terms of reference for each of its standing committees ensuring that they are updated regularly to reflect any changes in the committee's objectives, responsibilities, delegate authority or membership.</i>
<i>Additional comments:</i>		

Signed: Victoria S Waples

Date information submitted for internal audit review: 28/07/2025 & 30/07/2025 & 31/07/2025

Date of Internal Audit Review: 30/07/2025 & 31/07/2025

Date of Internal Audit Report: 31/07/2025

On behalf of Suffolk Association of Local Councils