

Report to Somersham Parish Council

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

1. Introduction and Summary.

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

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

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

1.4 The Accounts for the year confirm the following:

Total Receipts for the year: £20,390.85

Total Payments in the year: £22,067.16

Total Reserves at year-end: £72,981.89

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

<i>Balances at beginning of year (1 April 2025):</i>	<i>Box 1: £74,659</i>
<i>Annual Precept 2025/26:</i>	<i>Box 2: £18,422</i>
<i>Total Other Receipts:</i>	<i>Box 3: £1,969</i>
<i>Staff Costs:</i>	<i>Box 4: £4,506</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £17,562</i>
<i>Balances carried forward (31 March 2026):</i>	<i>Box 7: £72,982</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £72,982</i>
<i>Total fixed assets:</i>	<i>Box 9: £14,681</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

1.6 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2025/26 within the AGAR.

1.7 The following Internal Audit work was carried out on the adequacy of systems of internal control. Comments and any recommendations arising from the review are made below.

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).

2.1 The Annual Parish Council meeting took place on 7 May 2025. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The Council has a Responsible Financial Officer (RFO) in place, Mrs Jennie Blackburn having been formally appointed at the meeting held on 3 November 2021.

2.3 Standing Orders are in place and are based on the latest model Standing Orders published by the National Association of Local Councils (NALC). The Council reviewed and adopted the Standing Orders at its meeting on 7 May 2025. A copy has been published on the Council's website.

2.4 Financial Regulations are in place. They are based on the latest model Financial Regulations published by NALC and were reviewed and adopted by the Council at its meeting on 2 April 2025 when the minor amendments at Section 5 – Procurement, were approved and adopted. A copy has been published on the Council's website.

2.5 The Council resolved to adopt the General Power of Competence (GPOC) at its meeting on 10 May 2023. Having declared that it was an eligible Council to use the GPOC, having at least two-thirds elected Councillors and a suitably qualified Clerk, the adoption of the Power was agreed (Minute SPC040/23/24 refers). The GPOC continues until the full Council election in May 2027.

2.6 The Council's Minutes provide clear evidence of the decisions taken by the Council and are very well presented. The Council demonstrates good practice by publishing a draft copy of the Minutes to promptly inform local residents of Parish Council business and then publishing the final, agreed copy after the Council's approval.

2.7 At the meeting on 4 May 2022 the Council adopted the Local Government Association (LGA) Model Councillor Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. A copy of the Code has been published on the Council's website.

2.8 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA226040, expiring 11 January 2027). To assist in meeting the requirements of the General Data Protection Regulations (GDPR) the Council maintains a Data Protection Policy and Document Retention Policy (both of which were reviewed and approved by the Council at its meeting on 5 March 2025).

2.9 To support the Council's compliance with the Freedom of Information (FOI) legislation, at its meeting on 5 March 2025 the Council considered and adopted a

Publication Scheme which details the information being made available to the public. Similarly, the Freedom of Information Policy was considered and adopted by the Council on 4 March 2026.

2.10 A number of other Policies and Procedures have been adopted by the Council including an Equal Opportunities Policy and a Complaints Procedure (both reviewed and approved by the Council on 4 March 2026).

2.11 The Council adopted an IT Policy on 3 December 2025 to support the existing Data Protection Policies and assist compliance with the new Assertion 10 in the Annual Governance Statement (AGS) in the 2025/26 AGAR.

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

2.13 The SAPPP Practitioners' Guide provides the following instruction regarding Assertion 10 - Digital and data compliance, at item 1.47 et seq:

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

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

h) All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.'

2.14 The Clerk/RFO has confirmed and provided evidence that the above requirements have been met and the Council is able to provide positive affirmation to Assertion 10 in the AGS.

3. Accounting Procedures and Proper Book-keeping (examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting).

3.1 The Cashbook Spreadsheet is well referenced and provides an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was closely examined and all found to be in order.

3.2 Re-claims for VAT paid were submitted to HMRC as follows:

- a) The re-claim for £144.62 VAT paid during the period 1 April 2024 and 31 March 2025 was submitted on-line to HMRC on 14 April 2025 and received at bank on 29 April 2025.
- b) The re-claim for £912.00 VAT paid during the period 1 May 2025 and 31 May 2025 was submitted on-line to HMRC on 5 June 2025 and received at bank on 17 June 2025.
- c) The re-claim for £357.20 VAT paid during the period ending 31 March 2026 was submitted on-line to HMRC on 31 March 2026.

3.3 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2026 has been prepared by the Clerk/RFO. The Report displays the balance of £44,910.45 brought forward from previous years, £0 CIL Receipts in the year and spending of £6,466.00 on projects in the year, as follows:

Pavilion Refurb. Project – Professional Fees:	£708
Tennis Court resurfacing:	£4,560
Shed for Youth Club:	£550
Hall Hire for Mother & Baby Group (for year):	£648

A balance of £38,444.45 is accordingly recorded as retained at the end of the year in the CIL Account as a Restricted Reserve.

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

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

4.1 The Clerk/RFO presents the Council's current financial position to meetings of the Council including the balance on the accounts. Bank Reconciliations were presented to Council on 4 June 2025, 5 November 2025 and 4 March 2026.

4.2 As at 31 March 2026 the Barclays Bank statements totalled £72,981.89 and consisted of the Business Current Account (£9,971.14), the Business Premium Savings Account (£22,307.26) and the Business Premium (CIL) Savings Account (£40,703.49). The Statements reconciled with the End-of-Year accounts and agreed with the overall Bank Reconciliation.

4.3 The Business Premium (CIL) Savings Account standing at £40,703.49 includes interest accrued (which is not required to be reported within the Annual CIL Report to the District Council).

5. Year End procedures (*Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate*).

5.1 End-of-Year accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

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

6.1 The Council's Internal Control and Risk Management arrangements were reviewed and approved by the Council at its meeting on 4 March 2026 (Minute SPC202/25/26a refers). The Financial Risk Assessment and Statement of Internal Control document for the year ending 31 March 2026 provides detailed analysis of the financial and other risks faced by the Council (designated H, M or L) and the control measures in place to mitigate the risks identified.

6.2 The Council accordingly complied with Regulation 4 of the Accounts and Audit Regulations 2015 which requires a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for management of risk, with the review suitably Minuted.

6.3 Insurance was in place for the year of account. The insurance premium payment of £537.72 to Community Action Suffolk (CAS) Business Services was authorised by the Council on 3 September 2025. The cover is provided by Ansvar Insurance and runs from 1 October 2025 to 30 September 2026. Both the Employer's Liability cover and the Public Liability cover stand at £10m. The Fidelity Guarantee cover of £100,000 meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

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

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

Precept 2025/26: £18,422 (Minute SPC/183/24/25e refers).

Precept 2026/27: £18,660 (Minute SPC159/25/26e refers).

7.1 A Draft Budget for 2025/26 was considered and approved by the Council at its meeting on 4 December 2024. At the meeting on 8 January 2025 the Council approved the Final Budget 2025/26 and agreed a Precept of £18,422 for 2025/26. The precept decision and amount have been clearly Minuted.

7.2 A Draft Budget for 2026/27 was considered and approved by the Council at its meeting on 5 November 2025. The Final Budget was agreed by the Council at its meeting on 7 January 2026 and a Precept of £18,660 was approved. The precept decision and amount have been clearly Minuted.

7.3 The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. The Council is very well placed in terms of the amount of Reserves being maintained, giving the opportunity for the Council to fund future projects which will benefit members of the local community and the Parish overall.

7.4 The Council has sound budgetary procedures in place. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments.

7.5 Budget Monitoring Reports are presented by the Clerk/RFO to meetings of the Council in order to meet the Council's budgetary control responsibilities.

7.6 As at the 31 March 2026 the Overall Reserves (rounded) total of £72,982 includes £61,944 of Restricted/Earmarked Reserves as follows:

CIL Funds Restricted Reserve:	£38,444
Planned Projects:	£23,500

7.7 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) as at 31 March 2026 accordingly total £11,038 (59% or 7 months equivalent to the 2026/27 Precept) and are in line with the generally accepted position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure (the SAPPP Practitioner's Guide, Item 5.34 refers).

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

8.1 Receipts are reported to Council as a matter of routine. Receipts totalling £20,390.85 were recorded in the Cashbook Spreadsheet and consisted of Precept (£18,422), VAT reclaim (£1,056.62), Bank Interest (£775.17) and Collection Pots for Defibrillator (£137.06)

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

9. Petty Cash (Associated books and established system in place).

9.1 A Petty Cash system is not in use. An expenses system is in place, with on-line payments being made for expenses incurred.

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

10.1 The Council's Payroll Services are being operated by the Suffolk Association of Local Councils (SALC) in accordance with HMRC requirements. PAYE is in operation and detailed pay slips are being produced. The P60 End of Year Certificate 2025/26 for the Clerk/RFO was presented to the Internal Auditor.

10.2 A Contract of Employment dated 3 November 2021 is in place between the Council and the Clerk/RFO and confirms that the employment commenced on 3 November 2021 with a starting salary at SCP 22 for (normally) 21 hours per month. A monthly Office Allowance is payable to the Clerk/RFO in accordance with the amount recommended by the SALC. These terms and conditions remained in place as at 31 March 2025.

10.3 At the meeting on 4 June 2025, following the Clerk/RFO's annual appraisal, the Council agreed that the Clerk/RFO's salary should be raised by two increments to Scale Point 24, backdated to 1 April 2025.

10.4 At the meeting on 3 September 2025 the Council noted the national pay award 2025/26 for local government officers and agreed that this would apply to the salary of the Clerk/RFO and would be backdated to 1 April 2025.

10.5 The Council completed a re-declaration of compliance to the Pensions Regulator on 13 February 2024 in accordance with the requirements of the Pensions Act 2008. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

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

11.1 An Asset Register is in place and was reviewed and approved by the Council on 7 May 2025. The total value of £14,681 as at 31 March 2026 displays an increase of £17 (rounded for purposes of the AGAR) in the value of £14,664 at the end of the previous year, 31 March 2025, and reflects the purchase of Christmas Tree Lights.

11.2 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost (where known) or a proxy value or nominal value in appropriate cases. The value has been correctly entered into Box 9 of Section 2 of the AGAR 2025/26.

12. Internal Financial Controls, Payments Controls and Audit Procedures (*Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented*).

12.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions. The Council receives details of the financial position of the Council, including the balance of the accounts, payments for authorisation, receipts since the last meeting and periodic Bank Reconciliations.

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

12.3 The Clerk/RFO confirmed to the Internal Auditor the procedure in place where payments are made through electronic means/internet banking. The Clerk/RFO is the Service Administrator who initiates payments and is one of the two signatories that Barclays Bank require. Nominated Councillors act as the second authoriser.

12.4 No cheques were prepared in the year of account.

12.5 The Internal Audit Report for the previous year, 2024/25, was received and noted by the Council at its meeting on 7 May 2025. The Report raised no issues of concern.

12.6 The Internal Auditor for the 2025/26 year was appointed by the Council at the meeting held on 4 March 2026.

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

13.1 An External Audit was required in the year 2024/25 as the higher of gross income or gross expenditure exceeded £25,000 in the year of account. This was noted by the Council at its meeting on 5 March 2025.

13.2 The Report and Certificate dated 24 July 2025 from the External Auditors, PKF Littlejohn LLP, for the year 2024/25 was received and approved by the Council on 3 September 2025. No matters came to the External Auditors' attention to give any cause for concern.

13.3 At the meeting on 4 March 2026 the Council noted that an External Audit review would not be required for the year 2025/26 because the higher of gross income or gross expenditure did not exceed £25,000 in the year of account (Exemption from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015 refers).

14. Publication Requirements.

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

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

14.2 Similarly, the items listed below are to be published following completion of the External Audit (by 30 September):

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

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

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

15. Additional Comments.

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

15.2 I would particularly commend the Clerk/RFO for the excellent presentation of the documents for the audit.

Trevor Brown

Trevor Brown

Chartered Institute of Public Finance and Accountancy

Internal Auditor

15 April 2026