Cookley & Walpole Parish Council

Internal Audit Report

Financial Year 2025/2026

Prepared by Carol A Bailey

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I have completed an internal audit of the accounts for Council for the year ending 31st March 2026. My findings are detailed below using the tests provided in the **Governance and Accountability(England) March 2023.**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	20 May 2025 Min 9
	Date Financial Regulations last reviewed	20 May 2025 Min 10
	Has a Responsible Financial Officer been appointed with specific duties?	Clerk is RFO
	Have items or services above the de minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes – claimed to 31 March 2026
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	Yes
	Are Financial Regulations followed?	Yes
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes
	Is insurance cover appropriate and adequate?	Insured with Ansvar – 3 year LTA agreed 23 September 2025

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes – Internal Control Statement May 2025
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Precept of £12,300 agreed on 19 November 2024 Minute No 16
	Has the precept been calculated from the budget and been approved?	No budget in Minutes but states budget agreed
	Does the budget include an actual completed year?	Not known
	Is actual expenditure against budget regularly reported to the council?	Yes – on a monthly basis
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	No cash held
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes – Clerk currently on Point 17 – recommended salary should be at least Point 18
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operatedby the council as an employer?	Payroll run by Suffolk ALC
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – reviewed March 2026 at year end

Internal control	Test	Observations
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Yes
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cash book?	No - see end note
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	Yes
Procedural	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
	Policy documents routinely updated?	All policies reviewed at Min 15 b of the meeting of 24 February 2026
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	All payments are included on Minutes
	Electors' rights advertised on website?	Yes

Internal control	Test	Observations
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No
General Data Protection Regulation (compliance from 25 May 2018) FOI Publication Scheme	Has the Council put in place a privacy policy? Is it on the website?	Yes Yes
	Is there an FOI Publication Scheme?Is it on the website? Is it updated?	Yes Yes Yes

Part B: Trust Funds (If Applicable)

"The authority, in its capacity as the sole managing trustee of a local trust or trusts, has met its responsibilities as a trustee."

Trust Identification	Is the Council the **Sole Managing Trustee** of any trust (Check Charity Commission)	N/A	N/A
Separate Accounting	Separate bank account and records for Trust Funds. No mixing with Council Funds	N/A	N/A
Trust Deed Compliance	Actions taken in line with Trust deed or Governing Document	N/A	N/A
Annual Reporting	Annual Return or accounts submitted to Charity Commission (if required)	N/A	N/A
Meeting Minutes	Decisions as Trustee are minuted separately from Council business	N/A	N/A

Part C: Assertion 10 – Digital & Data Compliance

Does the council use a dedicated, council-owned email domain for all official communications?	Yes
Has an IT policy been formally adopted by the council?	Yes

Is a current Data Protection Policy published and followed?	Yes
Are website accessibility statements present, up-to-date, and reviewed annually?	Yes
Has a data audit been conducted recently to confirm what data is held, where, and why?	Yes
Are all required documents published on the website according to the ICO's Model Publication Scheme and Transparency Code?	Yes

Summary of my recommendations:

I would make the following observations and recommendations:

2025/2026 has been a somewhat difficult year for the Council with the previous Clerk leaving at the end of 2025 and a new Clerk commencing in January 2026. The current Clerk was not supplied with all documentation for the Council by the previous Clerk and only has downloaded documents from the Councils website. At the time of commencing work she did not have a laptop – this has now been resolved. She currently does not have access to the Councils bank account so is unable to download statements or make payments. The Clerk also will only have a 'read-only' when she does have access to the bank account – see recommendation below.

The accounts do not agree with the cashbook, there is a difference of £1,098 which is explained by the fact that the Clerks salary for January to March was not paid until the 2026/2027 financial year. This should be rectified on the 2026/2027 AGAR.

Recommendations:

1. Councillors responsibilities are fully listed on the website but there is no link to the Register of Interests on the District Councils website. I would recommend this be done for full transparency
2. The Precept was agreed at Council but no budget is included on the Minutes and no justification for any increase is made. It is recommended that when agreeing the Precept there is justification for the increase stated as well as the impact of any increase on Band D Council Tax property
3. Once the Clerk has obtained access to the Councils bank account it is recommended she should be the administrator and should initiate all payments with the appropriate number of Councillors authorising the payments. The Clerk is the Responsible Finance Officer and the only paid officer so if the Council were to lose all its Councillors the Clerk would be able to continue dealing with all matters of the Council including initiating payments. <u>THIS IS A MAJOR CONCERN</u> at present

I would take this opportunity to thank the Clerk for the information she has supplied to enable the completion of this audit, especially given the issues she has had since being in post.

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