

## **Report to Ixworth and Ixworth Thorpe Parish Council**

### **The End of Year Internal Audit 2025/26**

#### **1. Introduction and Summary.**

1.1 The Internal Audit reviews programmed for the year 2025/26 included an Interim Audit which was completed on 5 December 2025 to support an End of Year Audit to take place following the completion of the 2025/26 Accounts. In this way the Council was supported throughout 2025/26 in terms of receiving assurance upon the adequacy and efficiency of key systems in place. This audit report relates to the End of Year review undertaken in May 2026.

1.2 The Audit focussed upon the adequacy of systems of internal controls operating during the period November 2025 to March 2026. The Internal Auditor was assisted by Claire Usher, the Clerk to the Council and Responsible Financial Officer (RFO), who provided all necessary information and documentation to the Auditor.

1.3 In addition, all relevant published data held on the Council's website was accessed during the audit.

1.4 A significant change in staffing arrangements took place in the first half of the year, during which the previous Clerk/RFO, Mandy Adlington, left the Council and was succeeded by Claire Usher, who has worked successfully since her appointment to make a number of step-change improvements particularly in terms of the Council's Policies and Procedures.

1.5 By examination of the 2025/26 accounts and supporting documentation it was confirmed that the RFO is satisfactorily managing the administration of the Council's financial affairs and producing financial management information to enable the Council to make well-informed decisions.

1.6 The Accounts for the year 2025/26 confirm the following:

*Total Income for the year: £56,514.72 (Boxes 2 and 3 for 2025/26 below)*

*Total Expenditure in the year: £79,133.14 (Boxes 3, 4 and 5 for 2025/26 below)*

*Total Reserves at year-end: £84,948.83 (Box 7 for 2025/26 below)*

1.7 The Annual Governance and Accountability Return (AGAR) to the External Auditors was examined and the following figures (rounded for purposes of the Return) agreed with the Clerk/RFO for inclusion in Section 2 Accounting Statements for the year 2024/25 (re-stated to Receipts and Payments Accounting format for comparative purposes) and for the year 2025/26

## Internal Audit for Ixworth and Ixworth Thorpe Parish Council 2025/26

2024/25		2025/26
Re-stated		
Box 1: £106,625	Balances at beginning of year (1 April 2025):	£107,567
Box 2: £49,735	Annual Precept 2025/26:	£48,895
Box 3: £10,231	Total Other Receipts:	£7,620
Box 4: £27,077	Staff Costs:	£22,609
Box 5: £0	Loan interest/capital repayments:	£0
Box 6: £31,947	All Other payments:	£56,524
Box 7: £107,567	Balances carried forward (31 March 2026):	£84,949
Box 8: £107,567	Total cash/short-term investments:	£84,949
Box 9: £112,825	Total fixed assets:	£112,825
Box 10: £0	Total borrowings:	£0

1.8 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.

1.9 This Report has put forward 5 recommendations regarding actions that should be taken in 2026/27 to improve the Council's overall governance, internal control and risk management arrangements, as follows:

**Recommendation 1:** A Business Plan covering the next 3 years should be constructed and approved by the Council. The Plan should outline the Council's overall vision and objectives, a statement of intent, strategic planning/key projects, a listing of specific actions with measurable outcomes and areas of active involvement. The Plan would run alongside budgetary forecasts to ensure that financial planning accords with the Council's objectives.

**Recommendation 2:** Whilst the Clerk/RFO has delegated authority to manage the cemetery administration there is no formal Scheme of Delegation in place. Many local councils adopt a scheme which details the powers specifically delegated to the Clerk/RFO including the ability to incur expenditure of up to a specified amount in an emergency. A Scheme of Delegation should be considered and approved during the year 2026/27.

**Recommendation 3:** The Council should examine if it is eligible to apply the General Power of Competence (GPoC) and able to declare the use of that power if the Council has a sufficient number of elected members and the Clerk is suitably qualified.

**Recommendation 4;** The Internal Control and Risk Management documentation should be updated and reviewed by Full Council as soon as practicably possible in order that the Council complies with the Accounts and Audit Regulations 2015 which require that each Council must formally consider its internal control arrangements, including risk management arrangements, at least once in the year of account and Minute the review to evidence the action taken.

**Recommendation 5:** The Council should ensure that the publication requirements under the Accounts and Audit Regulations 2015 are complied with in respect of the year 2025/26.

1.10 Detailed comments arising from the audit 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 overall governance arrangements operating at the Council were examined in depth during the Interim Internal Audit in December 2025 and the key issues can be highlighted as follows:

a) The **Annual Parish Council meeting** took place on 14 May 2025. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

b) The **Membership for the Council's Committees and Working Groups** (the Policy and Resources Committee and Staffing Committee and the Play Area and Cemetery Working Groups were agreed by the Council on 14 May 2025. The Council also set up a Planning Working Group to consider all future planning applications prior to being placed before the Full Council. At the meeting on 11 June 2025 the Council agreed to create a Finance Sub Committee which would not have authority to approve items and only able to make recommendations to Full Council.

c) The Council has a **Clerk and Responsible Financial Officer (RFO) in place**. At the beginning of the 2025/26 year the Clerk/RFO in post was Mandy Adlington; from 6 May 2025, Claire Usher has been in post as the Clerk/RFO.

d) **Standing Orders** and **Financial Regulations** are in place and were reviewed and adopted by the Council at its meeting on 8 October 2025. They are based upon the model documents and guidance published by the National Association of Local Councils (NALC).

e) The Council is continuing to make progress with the **Neighbourhood Plan (NP)** which has been adopted by West Suffolk Council; a Parish Councillor has been nominated to monitor the Plan including the implementation of planning applications.

f) The **Minutes of the meetings of the Council** are well presented and provide evidence of the decisions taken by the Council in the year. The Minutes of meetings are being signed/initialled by the Chair of the meeting at which the Minutes are approved.

g) The Council is **registered with the Information Commissioner's Office (ICO)** as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA352044 refers, expiring 29 April 2027).

h) In response to the requirements of the General Data Protection Regulations (GDPR) the Council maintains appropriate **Data Protection policies and**

**procedures** including a Data Protection Policy, a Document and Electronic Data Retention Policy and a Data Breach Policy (all adopted on 12 November 2025).

i) The Council has a Publication Scheme in place to support its compliance with the **Freedom of Information** (Fol) legislation. The document identifies the range of information made available to the public and any fees attached and was adopted on 12 November 2025. The Council has also adopted a Guide to the Publication Scheme and a Freedom of Information Requests document.

j) The Council demonstrates good practice by maintaining a range of **Policies, Procedures and Protocols** (in addition to those of GDPR and Fol) to assist strong governance and administration, to comply with regulations and to carry out its duties effectively. The Policies, Procedures and Protocols are available for public inspection on the Council's webpage:

*<https://ixworthparishcouncil.gov.uk/parish-council/parish-council-policies/>*

k) In accordance with the Localism Act 2011, the Council has adopted the LGA **Councillors' Code of Conduct** for the purpose of discharging its duty to promote and maintain high standards of conduct within its area.

2.2 As reported by the Clerk/RFO to Council on 12 November 2025, the Annual Governance Statement in the 2025/26 AGAR includes a new **Assertion 10** covering digital and data compliance including requirements relating to email management and website accessibility. To fully meet Assertion 10 a local council must:

- a) Use a council-owned domain (The Council has registered under an official .gov.uk domain name of ixworthparishcouncil.gov.uk with councillor email addresses linked to that domain).
- b) Operate at least one generic email account on the council owned domain (The Clerk/RFO maintains such an email account).
- c) Ensure the website is accessible (the Council's website host, Suffolk Cloud, tested against WCAG 2.2AA standards to ensure site compliance in November 2024).
- d) Adopt a formal IT Policy covering data protection and device usage (The Council has an IT Policy in place the Council considered a draft on 14 January 2026 and approving a final copy at the meeting on 11 February 2026).

The Clerk/RFO confirmed that the Council has demonstrated proper governance of their digital presence, including using an authority-owned domain for emails and complying with the latest website accessibility standards as far as practicably possible.

2.3 The Council's governance arrangements would be assisted by the following actions taking place in 2026/27:

**Recommendation 1: A Business Plan covering the next 3 years should be constructed and approved by the Council. The Plan should outline the Council's overall vision and objectives, a statement of intent, strategic planning/key projects, a listing of specific actions with measurable outcomes and areas of active involvement. The Plan would run alongside budgetary forecasts to ensure that financial planning accords with the Council's objectives.**

**Recommendation 2: Whilst the Clerk/RFO has delegated authority to manage the cemetery administration there is no formal Scheme of Delegation in place. Many local councils adopt a scheme which details the powers specifically delegated to the Clerk/RFO including the ability to incur expenditure of up to a specified amount in an emergency. A Scheme of Delegation should be considered and approved during the year 2026/27.**

**Recommendation 3: The Council should examine if it is eligible to apply the General Power of Competence (GPOC) and able to declare the use of that power if the Council has a sufficient number of elected members and the Clerk is suitably qualified.**

### **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 End of Year Accounts for the previous year 2024/25 were presented in an Income and Expenditure format which is not normally required for smaller councils such as Ixworth Parish Council. It is normally more efficient for a smaller council to present accounts on a Receipts and Payments basis which can be more easily reconciled to the Bank Statements at the End of Year for clearer transparency and accountability. For 2025/26 the Accounts have reverted to Receipts and Payments and the Opening Accounting Balance in the year of £107,567.25 now agrees with the Bank Statements at that date (see item 5 'Bank Reconciliation' below).

3.3 For Cashbook Spreadsheet overall was found to be in good order and well presented. The Cashbook is well referenced and overall provides a good audit trail to the Bank Statements, payments made, supporting invoices and other documentation in place. The system was used for the preparation of the 2025/26 End-of-Year accounts. A sample of transactions was examined. Supporting invoices and vouchers were in place and queries arising from the examination were resolved by the Clerk/RFO.

3.4 Re-claims for VAT paid are being submitted to HMRC. A VAT Refund of £1,718.66 relating to the year 2024/25 was received at bank on 19 May 2025. Similarly, a claim for £3,662.67 VAT paid in the year 2025/26 has been submitted to HMRC

**4. 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).**

4.1 The previous year's End-of-Year accounts 2025/26 were (partly) prepared on an Income and Expenditure basis which is normally used for larger commercial enterprises and large local councils. The 2025/26 year has reverted to a Receipts and Payments account system with the support of the Internal Auditor, in order to enable greater transparency and a direct relationship with actual funds held at bank as at 31 March 2026.

4.2 A Bank Reconciliation as at 31 March 2026 and a Statement of Explanation of Variances (explaining significant differences in receipts and payments between the years 2024/25 and 2025/26) have been prepared for submission to the External Auditors and publication on the Council's website.

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

5.1 Bank Reconciliations are presented to the Council as a matter of routine at each meeting under the standing agenda item of Finance and include up-to-date balances at bank. Reference to the approval is made in the Minutes of the meeting to evidence the action taken. The Bank Reconciliation as at 31 October 2025 was examined in detail during the Interim Internal Audit.

5.3 As at 31 March 2026 the following bank accounts were held:

	£
Barclays Current Account:	1,926.34
Barclays Savings Account	83,022.49
<b>Total Bank Balances at 31 March 2026:</b>	<b><u>84,948.83</u></b>

5.4 The Internal Auditor completed a Bank Reconciliation to the Accounts as at 31 March 2026, confirmed as follows:

**Opening Balances as at 1 April 2025**

	£	£
Premium Account	94,876.43	
Community Account	<u>12,690.82</u>	107,567.25
<b>Plus</b> receipts to 31 March 2026:		56,514.72
<b>Less</b> payments to 31 March 2026:		<u>79,133.14</u>
<b>Updated Accounts Balance 31 March 2026:</b>		<b><u>84,948.83</u></b>

5.5 The Clerk/RFO is completing regular bank reconciliations to ensure the integrity of the Accounts and the correctness of bank transactions.

5.6 A Smaller Council's bank deposits are protected under the Financial Services Compensation Scheme (FSCS) in the same way as other protected investors. To be eligible, the council must have an annual budget less than equivalent to EUR 500,000 (approx., £432,000) for cover for deposits/investments up to £120,000 (from 1 December 2025) with any UK bank, building society and credit union.

**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 Clerk/RFO confirmed that the Council has an Internal Control Statement in place which lists the main elements of the system of internal control but the document is now out of date and requires review by the Council.

6.2 Similarly, an Internal Control Report which lists a number of Control Tests which can be undertaken to assess the robustness of the Council's internal control arrangements is in place but the Clerk/RFO confirmed that the document requires review and significant updating by the Council.

6.3 The Council has a comprehensive Risk Assessment for the Cemetery Caretaker in place to identify the risks attached to the post and the controls required. A Display Screen Equipment Risk Assessment was completed for the Clerk/RFO in January 2026. However, the Council has not yet adopted an overall Risk Assessment document which identify the risks attached to financial operations and the holding of assets and the measures in place to mitigate the identified risks.

**Recommendation 4; The Internal Control and Risk Management documentation should be updated and reviewed by Full Council as soon as practicably possible in order that the Council complies with the Accounts and Audit Regulations 2015 which require that each Council must formally consider its internal control arrangements, including risk management arrangements, at least once in the year of account and Minute the review to evidence the action taken.**

6.4 Insurance was in place for the 2025/26 year of account. At its meeting on 14 May 2025 the Council agreed to retain the Fidelity Guarantee insurance cover of £250,000. At the Council's meeting on 11 June 2025 the Clerk/RFO reported that the insurance cover lapsed on the 31 May 2025 with Zurich Insurance. The Council had agreed in the previous year to accept a 3-year long term agreement with Zurich Insurance (to 1 June 2027). Payment was made online on the 31 May 2025 to Zurich Insurance to ensure continuous cover of the Council's insurance at a cost of £1,025.87.

6.5 The Council's Employer's Liability insurance cover is £10m and Public Liability cover is £12m.

6.6 The Fraud and Dishonesty (Fidelity Guarantee – Councillor and/or Employee Dishonesty) cover of £250,000 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 (normally the maximum amount of the cash/invested resources held by the Council at any one time).

6.7 An important area of risk management within local councils concerns the adequate maintenance of play equipment. In this respect, the Council receives play inspection report and agrees action in those areas highlighted as needing attention.

6.8 The Clerk/RFO confirmed that the play equipment is inspected each month by West Suffolk Council and a copy of the reports is provided to Councillors on the Working Group dealing with these issues.

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

Precept 2025/26: £48,895 (8 January 2025).

Precept 2026/27: £53,448 (10 December 2025).

7.1 The Budget and Precept for the year 2025/26 was agreed by the Council at its meeting on 8 January 2025. The Council agreed to set a precept of £48,895. This reflected a small reduction of 0.84% compared to the previous year. The decision and the amount of the Precept was clearly shown in the Minutes of the Council's meeting to ensure that both the decision and amount became a formal and legal record and full transparency was secured in advising local taxpayers of the total amount that to be charged.

7.2 The Budget and Precept for the year 2026/27 was agreed by the Council at its meeting on 10 December 2025. The Council resolved to that the Precept for 2026/27 should be increased by 2% to £53,448.

7.3 The Precepts were agreed in Full Council and the decision and the amount were clearly recorded in the Minutes to demonstrate transparency in the amounts charge to local taxpayers.

7.4 The Council prepared detailed estimates of the annual budget and of receipts and payments for the years 2025/26 and 2026/27.

7.5 The Clerk/RFO is ensuring that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. At the meeting on 10 December 2025 the Council considered the recommendations of the Finance Sub Committee and resolved that the Clerk/RFO assign from the Council's Reserves monies to cover future expenditure to the end of the financial year.

7.6 The Overall Reserves available to the Council as at 31 March 2026 totalled £84,949 and can be detailed as below:

Earmarked Funds (£78,500) as follows:

Recreation Facilities	£10,000
Emergency Running Costs:	£20,000
Cemetery Works:	£4,000
St Mary's Church:	£4,500
Play Area:	£1,000
Community Recreation WG	£4,000
Cemetery Purchase:	£35,000

General (Unallocated) Reserves: £6,449

7.7 The General Reserves (Overall Reserves less Earmarked Reserves) as at 31 March 2026 were lower than the generally accepted best practice position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure/Precept (the SAPPP Proper Practices Guide, Item 5.34 refers). The Council's General Reserve was the equivalent of 12% or 1.5 months of the 2026/27 Precept and currently does not meet Best Practice.

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

8.1 Receipts are reported routinely to the Council under the standing agenda item of Finance. Income received and recorded in the Cashbook was cross referenced on a sample basis with the bank statements and found to be in order.

8.2 Income controls were examined on a test-check basis during the Interim Internal Audit in November/December 2025.

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

9.1 The Clerk/RFO confirmed that a Petty Cash Account was not being maintained at the year-end 31 March 2026 and the Council does not have a credit/debit card for the bank accounts. The Council maintains identification cards with a card reader for the Clerk/RFO and two signatories to access the bank accounts.

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

10.1 The Payroll is managed in-house by the Clerk/RFO using HMRC Real Time Information in accordance with HMRC regulations. Regular payments have been made to HMRC and detailed pay slips are produced for the Council's employees.

10.2 At the meeting on 14 May 2025 the Council confirmed the appointment of Claire Usher as the Council's Clerk/RFO to the Council, the appointment being effective from 6 May 2025. The Contract of Employment is dated 16 July 2025. The post is paid at SCP 23 pro rata for 15 hours per week.

10.3 Under the terms of the Contract, the Council's Clerk/RFO is enrolled into the Local Government Pension Scheme administered by Suffolk County Council.

10.4 A Contract of Employment dated 8 March 2021 is in place for the part-time position of the Council's Cemetery Caretaker.

10.5 The Council maintains a number of Staffing Policies including a Grievance Policy and a Disciplinary Policy.

**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 At the meeting on 12 November 2025 Clerk/RFO reported that the Asset Register had now been updated.

11.2 The Asset Register complies with the current requirements which provide that each asset should be recorded on a consistent basis, year-on-year. The approved overall value as at 31 March 2026 has been correctly entered into Box 9 of the AGAR 2025/26.

11.3 The Clerk/RFO advised the Internal Auditor that the value of £112,825 as at 31 March 2026 remained unchanged from the value as at the end of the previous year, 31 March 2025.

**12. Responsibilities as a Trustee (*Regarding the Council's role and responsibilities under the Charity Acts; submission of returns to Charity Commission*).**

12.1 The Council has no Sole Trustee responsibilities.

**13. 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*).**

13.1 Comprehensive financial reports are being presented to meetings of the Council under a standing agenda item. Councillors are provided with information to enable them to make informed decisions.

13.2 At the meeting on 11 June 2025 the Council noted that future Finance reports would include 'Budget to actual Payments and Receipts' data and reports regarding Reserves would be provided every 3 months.

13.3 At meetings of the Council the Members approve the payments made by internet banking and confirm that a full schedule of payments, supported by invoices and receipts, had been received prior to the meeting. Details are displayed in the Minutes of the Council meeting including the supplier, description of goods/services,

the amount of the goods/services and the Regulation or Minute reference giving approval to the payment. The Receipts and Payments are clearly listed in the Committee's Minutes as part of the overall financial control framework.

13.4 The Interim Internal Audit Report examined in detail and reported upon the procedure in place for the making of on-line payments. The review proved satisfactory.

13.5 The Clerk/RFO confirmed that a **Councillor Internal Scrutineer**, is undertaking periodic examinations of bank statements, invoices and cash spreadsheets to confirm the efficiency of the internal control arrangements in place at the Council. Councillor Terry Lilley has yet to be formally appointed by the Council in the role but is currently completing a range of reviews. The written reports and checklists prepared can assist inform the Council in its completion of Section 1 of the AGAR. each year.

13.6 The **Interim Internal Audit was dated 5 December 2025** and was considered by the Council at its meeting on 14 January 2026. The Report put forward the following 2 recommendations which were pressing at that time:

*R1: In order to comply with Assertion 10 of the Annual Governance and Accountability Return for the 2025/26 financial year, the Council should construct and adopt an IT Policy no later than 31 March 2026.*

**Update at 4 May 2026:** An IT Policy is now in place

*R2: The Internal Control and Risk Management documentation should be updated and reviewed by Full Council before the end of March 2026 in order that the Council complies with the Accounts and Audit Regulations 2015.*

**Update at 4 May 2026:** This action is still outstanding

13.7 The Internal Auditor for the End of Year Accounts 2025/26 was appointed by the Council on 14 January 2026.

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

14.1 The External Auditors' Report and Certificate for the previous year (2024/25) was dated 17 July 2025 and raised no issues of concern.

14.2 The invoice from the External Auditors was approved for payment by the Council at its meeting on 13 August 2025. The External Auditors' Report and Certificate was received by the Council at its meeting on 10 December 2025. The External Auditors raised no matters of concern.

## 15. Publication Requirements.

15.1 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.*

15.2 The dates for Exercise of Public Rights were set at the meeting of the Council on 19 May 2025. The Notice of Public Rights was incorrectly dated 16 May 2024 (and not 2025) to commence on 3 June 2025 and end on 14 July 2025. The Internal Auditor was able to confirm that the documents relating to the year 2024/25 were readily accessible on the Council's webpage:

<https://ixworthparishcouncil.gov.uk/finance-documents/financial-reports/>

15.3 Following the completion of the External Audit the following should be published (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).*

15.4 It was noted that the External Audit Report and Certificate 2024/25 was published on the Council's website on 20 November 2025 (outside of the required date of 30 September).

15.5 Similarly, at the time of the audit inspection the Notice of Conclusion of Audit was not displayed on the website and accordingly there was no evidence that the Notice (which details the exercise of public rights) had been published. The Clerk/RFO subsequently published the Notice on 2 December 2025 (outside of the required date of 30 September).

**Recommendation 5: The Council should ensure that the publication requirements under the Accounts and Audit Regulations 2015 are complied with in full for the year 2025/26**

## 16. Additional Comments.

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

*Trevor Brown*

**Trevor Brown**

**Chartered Institute of Public Finance and Accountancy**

**Internal Auditor**

**4 May 2026**

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