Report to Bildeston Parish Council

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

1. Introduction and Summary.

1.1 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 governance arrangements and overall efficient arrangements for 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 of the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs in the year and produced appropriate financial and management information to enable the Council to make well-informed decisions.

1.3 The Accounts for the year confirm the following:

Total Receipts for the year:	*£41,196.92*
Total Payments in the year:	*£48,086.93*
Total Reserves at year-end:	*£53,406.56*

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

Balances at beginning of year (1 April 2025):	*Box 1: £60,297*
Annual Precept 2025/26:	*Box 2: £36,000*
Total Other Receipts:	*Box 3: £5,197*
Staff Costs:	*Box 4: £10,199*
Loan interest/principal repayments:	*Box 5: £0*
All Other payments:	*Box 6: £37,888*
Balances carried forward (31 March 2026):	*Box 7: £53,407*
Total cash/short-term investments:	*Box 8: £53,407*
Total fixed assets:	*Box 9: £294,087*
Total borrowings:	*Box 10: £0*

1.5 Sections One and Two of the AGAR had been approved and signed at the meeting of the Council on 11 May 2026 prior to the Internal Audit being undertaken. However, in view of the significant changes to the AGAR following the Internal Audit, the Council will be presented with a revised/updated copy of the AGAR for signing and approval at the meeting on 1 June 2026.

1.6 The Internal Auditor has completed the Annual Internal Audit Report 2025/26 within the AGAR.

TREVOR BROWN CPFA
Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
Tel: 01394 384698 or 07587 523764 Email: trevor@tcdbrown.co.uk

1.7 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the Audit Plan. 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 12 May 2025. The first item of business was the Election of a Chair as required by the Local Government Act 1972.

2.2 Standing Orders are in place and were reviewed and approved by the Council at its meeting on 2 February 2026. The Standing Orders are based on the model document and guidance issued by the National Association of Local Councils (NALC.

2.3 Financial Regulations are also in place and were reviewed and approved by the Council at its meeting on 2 February 2026. The Financial Regulations are based upon the NALC model document and guidance.

2.4 The Council has a Responsible Financial Officer (RFO) in place, Angela Chapman having been appointed in September 2020.

2.5 The Council's Minutes provide clear evidence of the decisions taken by the Council in the year. Each page of the Minutes is signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved.

2.6 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 ZA119342 refers, expiring 26 May 2026). The Data Protection Policies were reviewed and adopted by the Council on 2 March 2026.

2.7 The Council also maintains a number of other Policies and Procedures as well as those relating to Data Protection. These include a Publication Scheme, Equality Policy, Grievance, Harassment and Bullying Policy, Health and Safety Policy, Capability Policy, Disciplinary Policy and Procedure, Complaints Procedure and a Social Media Policy, all of which have been published on the Council's website.

2.8 At the meeting on 11 July 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 approved Code has been published on the Council's website.

2.9 At the Council's meeting on 2 February 2026 the Clerk/RFO reported upon the new Assertion 10 in the Annual Governance Statement (AGS) 2025/26 and the digital and data compliance that the Council needs to adhere to. The Clerk/RFO explained that SAPPP Practitioners ' Guide states that to be fully compliant with Assertion 10 a local council must:

TREVOR BROWN CPFA
Internal Audit Services
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a) **Use a council-owned domain** (This is being met as the Council has registered under the authority owned domain name of bildeston.org, a village website but under the control of the Parish Council).

b) **Operate at least one generic email account on the council owned domain** (The Clerk/RFO and Councillors maintain such email under the domain *bildeston.suffolk.gov.uk* (and its associated *clerk@bildeston.suffolk.gov.uk* email address).

c) **Ensure the website is accessible to Web Content Accessibility Guidelines (WCAG) 2.2 AA standards** (The Council is working with the website host 'Parish Council Websites' to meet the latest accessibility standards).

d) **Adopt a formal IT Policy covering data protection and device usage** (The Council adopted a new IT Policy at its meeting on 2 March 2026).

e) **Comply with the UK General Data Protection Regulations (UK GDPR)** and process personal data lawfully, fairly, and in line with UK GDPR principles (this requirement is being met).

2.10 The Council has published a Website Accessibility Statement which states that the Council is committed to making its website accessible but is only partially conformant with the previous and lower WCAG 2.1 level AA standard. Accordingly, the website accessibility may not be fully compliant to the higher WCAG 2.2 AA standard. The Clerk/RFO has requested the host 'Parish Council Websites' to test the Council's website accessibility against the latest WCAG 2.2 AA standards and is awaiting the results, following which action can be taken to address any areas not in compliance with the latest standards, if at all practicable.

2.11 In summary, it is considered that the Council is demonstrating proper governance of its digital presence, including using an authority-owned domain for emails and looking to comply with the latest website accessibility standards as far as practicably possible.

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 Council's Accounts are maintained on the **Scribe Accounting System.** Scribe is a cloud-based operating system, accessed by personal log-in and password, and can be accessed through any internet platform and connection. The Scribe Accounting System can provide appropriate and sufficiently detailed information to Councillors to enable them to make informed decisions.

3.2 The Council demonstrates good practice by making available to all serving Councillors read-only access to the Scribe system, if they require. Three Councillors have access to Unity Trust bank statements in order that they may view/confirm information independently. The Scribe accounting system is well referenced and

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Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
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facilitates an audit trail to the Bank Statements, the Online payments and the financial information prepared by the Clerk/RFO. These documents provided good evidence in support of the receipts and payments in the year.

3.3 The Council's Accounts are maintained on a Receipts and Payments basis. A sample of transactions was examined alongside the supporting invoices and vouchers presented to the Internal Auditor and was found to be in good order.

3.4 VAT payments are tracked and identified within Scribe to assist reclaims to HMRC. A re-claim for the amount of £3,574.74 for the period 1 April 2025 to 31 December 2025 was submitted to HMRC on 23 January 2026 and received at bank on 28 January 2026.

3.5 As the Council does not apply the General Power of Competence, payments made under the Local Government Act 1972 (Section 137) are required to be separately identified in the Cashbook. The Accounts displayed no payments made under Section 137.

3.6 The Clerk/RFO provides reports to Council on Community Infrastructure Levy (CIL) matters and has constructed an Annual CIL Report for the year ending 31 March 2026. The Report displays a balance brought forward of £268.60, CIL Receipts of £0 in the year and an amount of £0 expenditure during the year. The CIL Fund retained balance as at 31 March 2026 accordingly stood at £268.60. The Report has to be provided to the District Council and published on the Council's website no later than 31 December 2026.

3.7 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 Auditor and publication on the Council's website. The Statement of Variances will now need to be updated following the amendments made to Section 2 of the AGAR (Annual Return).

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

4.1 Bank Reconciliations are regularly presented to the Council by the Clerk/RFO as part of the monthly financial information and data routinely delivered to Councillors.

4.2 The bank statements as at 31 March 2026 in respect of the Unity Trust Bank Current Account (£14,365.14) and the Unity Trust Deposit Account (£39,094.68) were confirmed by the Internal Auditor. The bank statements totalled £53,459.82 and taking into account an unpresented payment of £53.26 (confirmed by the Clerk/RFO as being the Microsoft 365 Subscription) the statements agreed with the Accounts balance of £53,406.56 as at 31 March 2026.

TREVOR BROWN CPFA
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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 have been correctly prepared on a Receipts and Payments basis and were found to be in good 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 Internal Control Statements for 2025/26 and 2026/27 were received and approved by the Council on 11 January 2026 (Minute C658/25/26d refers).

6.2 The Council has a Risk Assessment Register in place and this provides an analysis of the risks faced by the Council, the level of risk involved (High, Moderate or Low Risk) and the measures/actions in place to mitigate the identified risks. However, the Register was last reviewed and approved by the Council at the meeting on 4 November 2024 within the previous year, 2024/25.

6.3 The Council accordingly did not comply with the Accounts and Audit Regulations 2015 which require a review by the full Council at least once each financial year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

Recommendation 1: In the year 2026/27 the Council should comply with the Accounts and Audit Regulations 2015 and undertake a review of its Internal Control arrangements, including the Risk Assessment Register detailing the arrangements in place for the management of risk, with the review suitably Minuted.

6.4 Insurance was in place for the year of account. The policy renewal for 2025/26 was considered by the Council at the meeting on 12 May 2025 and agreed in principle. The payment of £1,642.58 was approved by the Council at its meeting on 4 June 2025. Cover is provided by Ecclesiastical Insurance and includes Employer's Liability cover and Public Liability cover, each at £10m. The Councillor/Employee Dishonesty (Fidelity Guarantee) cover stands at £250,000 and 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.

6.5 One of the most important issues for local councils in terms of risk management is the adequate maintenance and regular inspection of play equipment. Reports are regularly received by the Council on the condition of the play equipment and any faults that need to be addressed.

6.6 The Clerk/RFO advised the Internal Auditor that Play Area Inspections are carried out by a Councillor each month and Babergh District Council carries carry out an annual inspection to RoSPA standards. **The Clerk/RFO also advised the Internal Auditor that the Council's insurers require weekly inspections as part**

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of their insurance cover conditions. The Clerk/RFO was advised to promptly inform the insurers that inspections are undertaken on a monthly basis (and not weekly) to ensure that any future claim is not compromised.

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

Precept 2025/26: £36,000 (6 January 2025, Minute C547/24/25c refers).

Precept 2026/27: £39,000 (11 January 2026, Minute C658/25/26c refers).

7.1 At the meeting held on 6 January 2025 the Council approved the Precept for 2025/26. The Precept decision and amount have been clearly Minuted.

7.2 Similarly, at its meeting on 11 January 2026, the Council considered the 2026/27 Budget and a Precept of £39,000 was agreed. The Precept was agreed in Full Council. The Minute states that the Budget was agreed at £39,000 which the Clerk/RFO confirmed was the amount of the Precept for 2026/27.

7.3 The Clerk/RFO ensures that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Detailed Budget papers are prepared to ensure Councillors have sufficient information to make informed decisions.

7.4 The Clerk/RFO presents to Council meetings monthly accounting reports from the Scribe accounting system for confirmation, approval and signing.

7.5 As at 31 March 2026 the Overall Reserves stood at £53,406.56 and the Clerk/RFO advised the Internal Auditor that Earmarked/Restricted Reserves totalled £35,540.09 as follows:

Asset Replacement Fund Earmarked Reserve (EMR):	£18,500.00
Kate Chamberlain Clock Tower Fund EMR:	£7,795.00
John Artiss Nature & Conservation Fund EMR:	£8,137.49
Toddler Group Fund:	£839.00
CIL (Restricted) Fund:	£268.60

7.6 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) as at 31 March 2026 were accordingly £17,866.49 (46% or 5.5 months equivalent of the 2026/27 Precept and in line with the SAPPP Best Practice Guidelines (which state that General Reserves should be at least 3 to 12 months equivalent of net revenue expenditure/precept).

7.7 As at 31 March 2026 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

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

8.1 Receipts are reported to the Council and are included in the Minutes of the meetings. The Receipts of £41,196.92 recorded in the Cashbook for the year consisted of Precept (£36,000), Cemetery Fees (£450), Memorial fees (£660), VAT reclaim (£3,574.74) and Bank Interest (£512.18).

8.2 A sample of transactions recorded in the Cashbook was cross referenced with the bank statements and other supporting information on a test-check basis and were found to be in order.

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

9.1 No Petty Cash is held. An expenses system is in place, with online payments 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 is registered with HMRC and the payroll is being operated by 'An Accounting Gem' in accordance with HMRC requirements; detailed payslips are produced and PAYE is in operation.

10.2 At its meeting on 12 September 2022 the Council agreed a Contract of Employment for the Clerk/RFO. There have since been amendments to the original conditions of service and the Clerk/RFO confirmed that the post is currently paid at SCP 17 (the maximum of Grade LC1) at 12 hours per week.

10.3 The Clerk/RFO advised the Internal Auditor that her annual appraisal review was carried out in September 2025.

10.4 At its meeting on 3 November 2025 the Council noted and agreed the 2025/26 national pay award for Local Government Officers, to be back dated to 1 April 2025.

10.5 The salary paid to the Clerk/RFO is limited to the lower Scale LC1. The Clerk/RFO is currently on top of the Scale LC1 at SCP 17. This is a point which is significantly lower than many other positions of Clerk/RFO in comparable local councils.

Recommendation 2: It was noted that the Clerk/RFO's salary (Level LC1 Scale Point 17) is significantly below the Scale Points being paid to many Local Council Clerks working within similar sized councils to Bildeston Parish Council, particularly bearing in mind the experience the current postholder brings to the post. It is considered that the Council should review the salary paid to the Clerk/RFO (in the light of the salary paid at similar councils) to ensure that it is commensurate with the duties and responsibilities of the post and the skills and experience the current officer brings to the position.

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10.6 With regard to the legislation relating to workplace pensions, the Clerk/RFO confirmed that a re-declaration of compliance under the Pensions Act 2008 had been submitted to the Pensions Regulator by Accounting Gem. (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 The Asset Register was reviewed and approved by the Council at its meeting on 2 February 2026.

11.2 The value of Assets is displayed as £294,087 as at 31 March 2026, an increase of £407 from the value of £293,280 as at the end of the previous year, 31 March 2025. The increase reflects the acquisition of benches in Church Road (£400) and the inclusion of parcels of land at a community value of £1 each.

11.3 The Register complies with the current requirements which provide that each asset should be recorded at a consistent valuation, year-on-year. The assets are displayed at original purchase cost, where known, or nominal/community value for gifted items.

11.4 The value as at 31 March 2026 has been correctly placed in Box 9 of Section 2 of the AGAR 2025/6.

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 Clerk/RFO provides comprehensive financial reports to Council meetings. Payments are presented to the Council for approval. Councillors are provided with information to enable them to make informed decisions.

12.2 The Council's Minutes record that Scribe accounting reports are distributed to Councillors, including Payments Lists, Receipts and Payments Summaries, Bank Reconciliations and a copy of the bank statements to the month-end. Up to date Scribe accounting reports are checked by a non-Signatory Councillor and signed by the Chairman and the Clerk/RFO and approved by the Council. The monthly accounting report for July 2025 was unavailable to the meeting on 1 September 2025 and the accounting reports from July to October 2025 were presented to Council at its meeting on 3 November 2025.

12.3 The Clerk/RFO confirmed to the Internal Auditor that:

TREVOR BROWN CPFA
Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
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(a) The Clerk/RFO is the Service Administrator who initiates the payments to be made through internet banking, which are then authorised electronically by two Councillors before payment is released.

(b) Nominated Councillors have been specifically authorised to approve transactions generated by the Clerk/RFO.

(c) The Approved Payments List, signed by the Authorising Signatories, is retained with the invoices and can be referenced to the bank statements.

12.4 Payments and Receipts are listed in the Council's Minutes as part of the overall financial control framework. The schedule of invoices authorised by the Council are listed in the Minutes of the Council's meetings in accordance with the Council's approved Financial Regulations item 5.2.

12.5 The Internal Audit report for the previous year (2024/25) was received and noted by the Council at the meeting held on 4 June 2025. No matters of concern were raised.

12.6 The Council formally appointed the Internal Auditor for the 2025/26 year at its meeting on 2 February 2026.

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

13.1 The External Auditors' Report and Certificate for the previous year 2024/25 was dated 18 September 2025 and was noted by the Council on 3 November 2025. The Report noted that the Council did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27.

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 As reported at 13.1 above, the 'Notice of the period for the exercise of Public Rights' had a commencing date of 5 June 2025 and an end date of 14 July 2025 and accordingly only provided for 28 days. Accordingly, the Council did not meet the statutory requirements relating to the 30 working days inspection period.

TREVOR BROWN CPFA
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Charnwood, California, Woodbridge, Suffolk IP12 4DE
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14.3 Following the completion of the External Audit authorities must publish each year the following information on a publicly accessible website (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).

14.4 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://bildeston.org/parish-council/governance-processes-and-transparency/

15. Additional Comments.

15.1 I would like to record my appreciation to the Clerk and Responsible Finance Officer for her assistance during the course of the audit work.

Trevor Brown

Chartered Institute of Finance and Accountancy

Internal Auditor

18 May 2026

TREVOR BROWN CPFA
Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
Tel: 01394 384698 or 07587 523764 Email: trevor@tcdbrown.co.uk