

Report to Pakenham Parish Council

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

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2025/26 year the Council maintained effective governance arrangements including a robust 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 efficient 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 Clerks in post, in their role of the Council's RFO, satisfactorily undertook the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

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

Total Receipts for the year: £15,920.32
Total Payments in the year: £13,884.49
Total Reserves at year-end: £18,626.41

1.4 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

2024/25 Re-stated		2025/26
Box 1: £17,276	Balances at beginning of year (1 April 2025):	£16,591
Box 2: £11,958	Annual Precept 2025/26:	£12,620
Box 3: £3,866	Total Other Receipts:	£3,300
Box 4: £5,106	Staff Costs:	£4,433
Box 5: £0	Loan interest/capital repayments:	£0
Box 6: £11,403	All Other payments:	£9,452
Box 7: £16,591	Balances carried forward (31 March 2026):	£18,626
Box 8: £16,591	Total cash/short-term investments:	£18,626
Box 9: £33,280	Total fixed assets:	£33,280
Box 10: £0	Total borrowings:	£0

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

1.6 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the agreed schedule of work. 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 15 May 2025. The first item of Parish Council business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 As part of its overall governance arrangements, at the meeting on 15 May 2025 the Council appointed Councillors as representatives of the Council and to undertake key roles and positions in the Council.

2.3 Standing Orders are in place; an updated copy was adopted by the Council at its meetings on 15 May 2025 and on 19 February 2026. The Standing Orders are based on the model documents and guidance published by the National Association of Local Councils (NALC). A copy has been published on the Council's website.

2.4 Financial Regulations are also in place having been adopted at the meetings on 15 May 2025 and 19 February 2026. They are based upon the model Regulations published by NALC. A copy has been published on the Council's website.

2.5 At its meeting on 15 May 2025, the Council confirmed that it met the criteria to exercise the General Power of Competence (GPoC) This will remain valid until the annual meeting following the next ordinary election in May 2027.

2.6 A Responsible Financial Officer (RFO) is in place. At the beginning of the 2025/26 year Sandra Brown was in post and retired during the year. Claire Usher has been in post since her appointment by the Council on 19 June 2025 when the salary scale and hours of work were offered to her with a commencement date of 1 July 2025. Sandra Brown continued until the end of July 2025 to secure efficient handover arrangements.

2.7 A signed Contract of Employment for the current Clerk/RFO was presented to the Internal Auditor and provided for 5 working hours per week on starting point of SCP 18.

2.8 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council in the year. The Minutes are signed/initialled by the Chair of the meeting at which the Minutes are approved. Each page was numbered

consecutively up to and including the meeting on 19 June 2025, after which the consecutive numbering discontinued.

2.9 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 ZA088380, expiring 30 November 2026).

2.10 To assist compliance with the General Data Protection Regulations (GDPR) the Council has in place the following Policies and Procedures:

Data Protection Policy (adopted on 19 February 2026)

Privacy Notice

Document and Electronic Data Retention Policy (adopted on 19 February 2026)

Data Breach Policy (adopted on 19 February 2026)

GDPR Risk Assessment

Website Accessibility Statement

2.11 To support meeting the requirements of the Freedom of Information Act, the Council has in place the following documents, all of which were adopted on 19 February 2026:

Freedom of Information Scheme

Freedom of Information Requests Policy

Guide to the Publication Scheme

2.12 The Data Protection and FoI documents have been published on the Council's website.

2.13 The Council has adopted the Local Government Association (LGA) Model Councillor Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. The Code was reviewed and approved by the Council at the meeting on 15 May 2025. A copy of the Code has been published on the Council's website.

2.14 A new **Assertion 10 is included in the Annual Governance Statement (AGS)** within the 2025/26 AGAR. To fully comply with Assertion 10 a local council must:

a) Use a council-owned domain (The Clerk/RFO confirmed at the Council's meeting on 15 May 2025 that an official .gov.uk email for Pakenham had been set up).

b) Operate official email addresses for all councillors and staff (the Clerk/RFO is operating the clerk@pakenham-pc.gov.uk email address).

c) Ensure the website is accessible to WCAG 2.2 AA standards (see item 2.15 below).

d) Adopt a formal IT Policy covering data protection and device usage (the Council adopted an IT Policy on 19 February 2026).

2.15 A Website Accessibility Statement is in place in response to the website accessibility regulations. The Statement details what the Council has done to ensure that as many people as possible are able to use the website, provides technical information about the website's accessibility and lists contact details. The Statement was last updated on 15 May 2025 and confirms that the Council follows a specific set of guidelines to ensure all content meets the (previous) WCAG 2.1 standard which was last tested in September 2020.

Recommendation 1: The Council's Accessibility statement confirms that the website is run by Pakenham Parish Council without a website host. The Council should either register with a website host or undertake its own testing to confirm the website meets the current accessibility standard WCAG 2.2 AA.

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 very well referenced and facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. A sample of transactions was examined with the supporting invoices and found to be in order.

3.2 The Clerk/RFO has confirmed that no payments were made under the Local Government Act 1972 Section 137 in the year of account.

3.3 VAT payments are tracked and identified against each payment made within the Accounts to assist future reclaims to HMRC. Re-claims for the amounts of VAT paid are submitted to HMRC. The re-claim of £802.23 for VAT paid in the 2025/26 year was submitted on 9 April 2026 and received in the year 2026/27.

3.4 A Statement of Variances (explaining significant differences in receipts and payments between the years 2024/25 and 2025/26) is being 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 Bank reconciliations are regularly presented to the Council by the Clerk/RFO and recorded in the Minutes of the Council meetings.

4.2 The bank statements as at 31 March 2026 stood at £18,626.41 as follows:

Santander Business Current Account:	£7,660.15
Santander Business Savings Account:	£10,966.26

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. Sample audit trails were undertaken and were found to be in order.

6. Policies, Procedures and Protocols

6.1 The Council demonstrates good practice by maintaining a wide range of formal Policies and Procedures in addition to Data Protection and Freedom of Information Policies. Many of the Council's Policies, including GDPR documentation, were reviewed and approved by the Council on 15 May 2025 and on 19 February 2026.

6.2 The Policies and Procedures that have been adopted by Pakenham Parish Council are displayed on the Council's webpage:

<https://pakenham.onesuffolk.net/the-parish-council/policies/>

6.3 The Policies and Procedures in place include the IT Policy, Pay Procedure Policy, Safeguarding Policy, Complaints Procedure, Reserves Policy, Social Media Policy, Equality and Diversity Policy, Sexual and General Harassment Policy and Procedures and the Protocol for the reporting of meetings of the Council.

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

7.1 At its meeting on 15 May 2025 the Council reviewed and approved the Financial Risk Assessment (Minute 7 iii refers). A copy has been published on the Council's website. A Risk Assessment of Assets document is also in place and a copy published on the website.

7.2 A Statement of Internal Control is in place and a copy published on the Council's website. The Council reviewed and agreed the Internal Control Report and the Statement of Internal Control at its meeting on 19 February 2026 (Minute 7 refers).

7.3 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require 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 the management of risk, with the review suitably Minuted.

7.4 Insurance was in place for the year of account. Payment of £363 was made to Zurich Municipal Insurance on 17 April 2025 for cover over the period 1 June 2025 to 31 May 2026.

7.5 Public Liability insurance cover stands at £12m. and Employer's Liability at £10m. The Fidelity Guarantee (Councillor/ 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.

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

Precept 2025/26: £12,620 (21 November 2024, Minute 12 refers refers).

Precept 2026/27: £13,420 (20 November 2025, Minute 201125/19 refers).

8.1 The Draft Budget for the year 2025/26 was considered and agreed by the Council on 21 November 2024 when it was resolved by the Council to request a Precept of £12,620.

8.2 The Clerk/RFO circulated the proposed Budget 2026/27 to all Councillors prior to the meeting held on 20 November 2025, when the Council agreed the budget without amendment and resolved to raise the Precept in line with inflation to the amount of £13,420. At the meeting the Chairman and Clerk/RFO signed the application form for the Precept 2026/27.

8.3 The Precepts were agreed in Full Council and the precept decision and amount have been clearly Minuted.

8.4 Budgetary procedures are in place. During the year 2025/26 the Council received reports of actual spending against the budget. The estimates for 2025/26 were used effectively for financial control and budgetary control purposes. At the meeting on 19 June 2025 the Council received the First Quarter expenditure/income against Budget Report. The Report was examined by the Internal Auditor and confirmed to be comprehensive and informative.

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

8.6 The Overall Reserves available to the Council at the year-end 31 March 2026 were £19,147.64, of which £8,000 is recorded as Earmarked Reserves as follows:

Cemetery:	£2,000
The Dell:	£3,000
Elections:	£2,000
Pavilion:	£1,000

8.7 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) are displayed as £11,147.64 (83% or 10 months equivalent of 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/Precept (the SAPP Proper Practices Guide, Item 5.34 refers).

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

9. Income Controls (*regarding sums received from Precept, Grants, Loans and other income*).

9.1 Receipts are reported to the Council by the Clerk/RFO and recorded in the Minutes of Council meetings.

9.2 At the meeting on 19 June 2025 the Clerk/RFO reported that all allotments had tenants, all rents for the year had been received and no-one was on the waiting list.

9.3 At the meeting on 15 January 2026 the Council agreed that the allotment rent for 2026/27 would remain unchanged. Similarly, the Council considered Cemetery Charges 2026/27 and agreed that for 2026/27 they would also remain unchanged.

9.4 The Receipts of £15,920.32 recorded in the Cashbook Spreadsheet consisted of Precept (£12,620), Burial Fees (£2,456), Grants (£500), Rent (£230) and Bank Interest (£114.32).

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

10.1 No Petty Cash is held. An expenses system is in place with on-line banking payments being made during the year for expenses incurred.

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

11.1 The Council's Payroll is being operated by the Suffolk Association of Local Councils in accordance with HMRC regulations. Detailed pay slips are produced. The P60 End of Year Certificate for the Clerk/RFO was presented to the Internal Auditor for examination.

11.2 Claire Usher was appointed by the Council as Clerk/RFO on 19 June 2025 when the salary SCP 18 and 5 hours of work a week were offered to her with a commencement date of 1 July 2025. Sandra Brown continued until the end of July 2025 to secure efficient handover arrangements.

11.3 With regard to the legislation relating to workplace pensions, a redeclaration of compliance was submitted to the Pensions Regulator on 19 February 2025 in accordance with 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).

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

12.1 An Asset Register is in place and was reviewed and agreed by the Council at its meeting on 15 May 2025.

12.2 The Register records the original purchase cost, where known. The value of £33,280 as at 31 March 2026 is unchanged from the value at the end of the previous year (31 March 2025).

12.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The value has been correctly entered into Box 9 of Section 2 of the AGAR.

Recommendation 2. The Council should include a column in the Asset Register that lists the insurance cover for each relevant asset and identifies, for insurance valuation purposes, any asset that is not included in insurance cover due to it being low in value or not at risk. This will assist in verifying that the insurance cover for assets is adequate and ensure that no items are inadvertently overlooked.

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. Identifying VAT payments and re-claims. Any previous audit recommendations implemented*).

13.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides the Council with Finance Reports which are considered and approved by the Council at each meeting. Bank balances are routinely reported to Councillors.

13.2 Payments and receipts are listed in the Council's Minutes as part of the overall financial control framework.

13.3 Internet Banking is in place. A Schedule of Payments is circulated by the Clerk/RFO to Councillors prior to Council meetings to enable the Council to approve the payments to be paid by internet banking through the approved authorising processes (the Clerk/RFO to initiate the payment and the Chair to authorise on-line).

13.4 The Internal Audit report for the previous year (2024/25) was received and accepted by the Council at its meeting on 15 May 2025. The Report was prepared by Mr Malcolm Saunders.

13.5 The Internal Auditor for the year 2025/26 was formally appointed by the Council at its meeting on 15 January 2026.

14. Transparency Code (Compliance for smaller councils with income/expenditure under £25,000).

14.1 Pakenham Parish Council is designated as a 'Smaller Council'. The Council's website is: <https://pakenham.onesuffolk.net/>

14.2 Smaller authorities should publish on their website:

- a) **All items of expenditure above £100:**
Published – Yes, included within the published Minutes
- b) **Annual Governance Statement, AGAR Annual Return, Section One:**
Published (2024/25) – Yes
- c) **End of year accounts, AGAR Annual Return, Section Two:**
Published (2024/25) – Yes
- d) **Annual Internal Audit report within AGAR Annual Return:**
Published (2024/25) – Yes
- e) **List of councillor or member responsibilities:**
Published – Yes
- f) **Details of public land and building assets (asset register):**
Published – Yes
- g) **Minutes, agendas and meeting papers of formal meetings:**
Published – Yes

14.3 The Council is meeting the requirements of the Transparency Code.

14.4 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 required the Council to publish a 'Notice of Public Rights and Publication of Annual Governance and Accountability Return (Exempt Authority)' on a publicly accessible website. The Internal Auditor was able to confirm that the document for the year 2024/25 was readily accessible on the Council's website and displayed the Date of Announcement, Inspection Dates, Details of Person to contact to view the accounts and the Details of the person making the announcement. The Council agreed on 15 May 2025 that the dates for the Public Rights would be from 3 June 2025 to 14 July 2025 inclusive.

14.5 The remaining documents required to be published for the year 2024/25, as listed in the AGAR Page 1 Guidance Notes (including the Bank Reconciliation, the Explanation of Variances and the Certificate of Exemption) were found to be easily accessible on the website.

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

15.1 An External Audit Intermediate Review was not required for the year 2024/25 as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account. The Certificate of Exemption was completed by the Council at its meeting on 15 May 2025.

15.2 As the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ending 31 March 2026, the Council is able to certify itself exempt from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015. The Council can accordingly prepare a Certificate of Exemption from a Limited Assurance Review for the year 2025/26, for submission within the due date to PKF Littlejohn LLP.

16. Additional Comments.

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

Trevor Brown

Trevor Brown

Chartered Institute of Public Finance and Accountancy

Internal Auditor

4 May 2026