

## **Report to Copdock and Washbrook 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 continued to maintain 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 Clerk, in the role as the Council's Responsible Financial Officer (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 documents were extremely well presented by the Clerk/RFO for audit.

1.4 The Accounts for the year confirm the following:

*Total Receipts for the year:*        £83,817.01  
*Total Payments in the year:*    £82,935.61  
*Total Reserves at year-end:*    £114,563.05

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 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2025):</i>	<i>Box 1: £113,682</i>
<i>Annual Precept 2025/26:</i>	<i>Box 2: £40,440</i>
<i>Total Other Receipts:</i>	<i>Box 3: £43,377</i>
<i>Staff Costs:</i>	<i>Box 4: £10,401</i>
<i>Loan interest/principal repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £72,535</i>
<i>Balances carried forward (31 March 2026):</i>	<i>Box 7: £114,563</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £114,563</i>
<i>Total fixed assets:</i>	<i>Box 9: £161,061</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 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 6 May 2025. The first item of business was the Election of a Chair, as required by the Local Government Act 1972. The Council also agreed Councillor roles and responsibilities at the meeting.

2.2 Standing Orders are in place and were reviewed and adopted by the Council at its meeting on 1 April 2025 and again (following subsequent updates issued by the National Association of Local Councils (NALC) on 6 May 2025. The Standing Orders are based on the latest model documents and guidance published by NALC. A copy has been published on the Council's website.

2.3 Similarly, Financial Regulations are in place. These were reviewed and adopted by the Council on 1 April 2025. The Regulations are based on the latest model documents and guidance published by NALC. A copy has been published on the Council's website.

2.4 The Council does not apply the General Power of Competence (GPOC). The Council noted at its meeting on 13 June 2023 that the Clerk/RFO had received confirmation from the Suffolk Association of Local Councils (SALC) that the Council did not meet the qualifying criteria to declare itself eligible to use the GPOC and the Council will instead use the provisions of the Local Government Act 1972, Section 137 as the 'free resource'.

2.5 The Council has a Responsible Financial Officer (RFO) in place. Mrs Susan Frankis was endorsed by the Council as the permanent Clerk/RFO at the meeting held on 4 September 2023. The continuing appointment of the Clerk to the Council as the RFO was confirmed by the Council on 6 May 2025. The Council has delegated the power to grant Dispensation Requests to the Parish Clerk.

2.6 The Council's Bank Signatories were appointed at the meeting held on 3 June 2025.

2.7 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council in the year. The Minute pages are numbered consecutively and each page of the Minutes is signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved. The Council demonstrates good practice through the prompt publication of draft Minutes of Council meetings with the Final Copy being published after formal approval.

2.8 The Council made significant progress regarding the Neighbourhood Plan (NP) during the year. The local referendum on 24 July 2025 resulted in acceptance of the

Copdock & Washbrook Neighbourhood Plan (80% of voters were in favour) and that it was officially adopted by Babergh District Council (BDC) and is now part of the BDC planning process.

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 ZA149121 refers, expiring 19 November 2026, and lists the contact address for the Council).

2.10 The Council has reviewed, adopted and published on its website a range of policies to assist compliance with the General Data Protection Regulations (GDPR) including some reviewed and adopted in the year of account:

Data Protection Policy (updated and adopted on 2 September 2025)  
Information Security Incident Policy  
Personal Data Audit Impact Assessment  
Privacy Notices for Employees and for Website  
Privacy Statement  
Publication Scheme (updated and adopted on 2 September 2025)  
Records Management and Document Retention Policy  
Subject Access Request (SAR) Procedure and Policy

2.11 At the meeting on 6 August 2024 the Council agreed to appoint the responsibility of data protection compliance within the Council to the Parish Clerk.

2.12 At its meeting on 3 June 2025 the Council agreed the storage and destruction of documents and records in accordance with the Council's Records Management and Documentation Retention Policy.

2.13 The Council demonstrates good financial and management practice by adopting and maintaining a range of other formal Policies, Procedures and Protocols, including the following, some of which were reviewed and adopted in the year of account:

Accident Reporting Policy  
CIL Grant Awarding Policy  
Grant Policy  
Climate Awareness and Environment Policy  
Community Engagement Strategy (adopted 2 September 2025)  
Complaints Procedure  
Co-option Procedure  
Dispensation Policy  
Filming, Videoing, Photography and Audio Recording at Parish Council or Committee Meetings Policy  
Gifts and Hospitality Policy  
Internet Banking Policy  
IT Policy (adopted on 2 September 2025)  
Investment Strategy (adopted on 6 May 2025)  
Investment Policy (adopted on 6 May 2025)  
Social Media Policy  
Protocol for Public Participation at Council Meetings

Reserves Policy (adopted on 2 September 2025)  
Safeguarding Policy  
Vexatious Policy  
Sexual and General Harassment Policy

All of the above documents have been published on the Council's website.

2.14 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. A copy of the Code has been published on the Council's website.

2.15 The Annual Governance Statement (AGS) in the 2025/26 AGAR includes a new Assertion 10 covering digital and data compliance including requirements relating to email management and website accessibility. Key requirements in enabling a positive response to Assertion 10 includes:

- Maintaining a generic email account on a council owned domain.
- Adoption of an IT Policy, covering IT equipment and data for authority business.
- Data Protection Policy in place to cover data handling and sharing.
- Appropriate technical and organisational measures in place to protect personal data (such as a Data and Electronic Retention Policy to provide for the storage of personal data).
- Control measures in place to ensure compliance with Data Protection Legislation (GDPR): (the Council's appointed Data Protection Officer can undertake data impact assessments to analyse, record and review the control measures in place).
- Compliance with current website accessibility regulations.

2.16 The Clerk/RFO has confirmed and provided evidence that the above requirements have been met to enable positive affirmation to Assertion 10 in the AGS. The Council has appropriate measures in place including the copdockandwashbrook.org domain address and an adopted IT Policy. The website host Suffolk Cloud has noted on the Website Accessibility Statement that the website was tested in November 2024 against standard WCAG 2.2AA to ensure site compliance.

### **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 were constructed by the Clerk/RFO using an Excel Spreadsheet and were found to be in good order. Payment reference numbers are given to each payment and entered onto the bank statements to secure an audit trail from the invoice/voucher to the payment displayed on the Council's bank account. A sample of transactions were examined and were found to be in good order.

3.2. VAT payments have been separately listed and reclaims for VAT paid are being submitted to HMRC. The following reclaims were examined during the Internal Audit:

- a) A reclaim for £928.96 for the period 1 October 2025 to 31 October 2025 was submitted to HMRC on 5 November 2025, received by the Council on 10 November 2025. was reported to Council on 2 December 2025
- b) A reclaim for £1,380.91 for the period 1 November 2025 to 31 January 2026 was submitted to HMRC on 11 February 2026, received by the Council on 16 February 2026 and was reported to Council on 3 March 2026

3.3 As stated at item 2.4 above, the GPoC does not apply and accordingly the payments under the Local Government Act 1972 (Section 137) are reported to and agreed by the Council and separately identified in the Cashbook and the End of Year Accounts.

3.4 The Clerk/RFO provides reports to Council on Community Infrastructure Levy (CIL) matters, including sums received. The CIL Annual Report for the year ended 31 March 2026 displays a balance of £51,690.30 brought forward from the previous year, £0 CIL Receipts in the year and £5,136.01 expended on the 20's Plenty Scheme. The balance retained at the year-end was accordingly £46,554.29. The Annual CIL Report has been published on the Council's website.

3.5 A Statement of Analysis 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.

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

4.1 Bank reconciliations were regularly completed in the year by the Clerk/RFO. Bank Balances are presented to Council alongside Budget and Finance Reports and the Cash Book; a Councillor verifies the Bank Balances.

4.2 At the meeting on 3 March 2026 the Council undertook a review of savings options. The Parish Council agreed to give notice to close the Hinckley and Rugby Building Society Account and open a Redwood Bank 35-day Notice account earning a higher rate of interest. In the interim, the Council agreed that £10,000 would be transferred to the new Redwood Bank account from the Unity Trust Bank Instant Access account. When the funds are received from Hinckley and Rugby Building Society, these will then be deposited with Redwood Bank.

4.3 The bank statements as at 31 March 2026 (totalling £114,721.99) were as follows:

Unity Trust Bank Current Account (£14,699.96)  
Unity Instant Access Account (£3,062.49)  
Hinckley & Rugby Building Society 90-Day Notice account (£86,959.54)  
Redwood Bank 35-day Notice account (£10,000)

The balances were confirmed by the Internal Auditor and reconciled with the End-of-Year Accounts taking into account three uncleared payments totalling £158.94 to HMRC (PAYE).

4.4 The range of deposits held by the Council provides significant protection under the Financial Services Compensation Scheme (FSCS) which allows compensation up to £120,000 for eligible deposits.

**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. Sample checks were undertaken and all was seen 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 Council agreed the review of the Effectiveness of the Internal Audit for 2025 at its meeting on 3 June 2025 (Minute 2863/2526 v refers).

6.2 At the meeting on 2 September 2025 the Council received and reviewed the Risk Assessment 2025 (Minute 2933/2526 refers).

6.3 At the meeting on 3 February 2026 the Council reviewed and adopted the Financial Risk Assessment and Management Report 2026, the Risk Management Strategy 2026, the Risk Management Register 2026 (Minute 3026/2526 v refers).

6.4 The meeting on 3 February 2026 also agreed to adopt the Internal Control Statement 2026 and noted that Councillor Moon had carried out a review of the Internal Control System; no matters of concern had been raised (Minute 3026/2526 v refers).

6.5 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require a review by the full Council at least once during 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.

6.6 Insurance was in place for the year of account. Details of a quote for an Ansvar policy, offered by Community Action Suffolk, (CAS), was reviewed and accepted by the Council on 2 April 2024 on a three-year long-term undertaking. The premium for the insurance year 4 April 2025 to 3 April 2026 was £1,236.65. The Employer's Liability cover and the Public Liability cover each stood at £10m. The Councillor/Employee Dishonesty (Fidelity Guarantee) cover stood at £250,000 and as at 31 March 2026 met 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.

6.7 One of the most important issues for local councils in terms of risk management is the adequate maintenance and regular inspection of play equipment. The Council receives frequent reports on the play areas including inspection reports and considers and agrees any remedial action required to the equipment.

6.8 Babergh District Council arranged for annual play inspections to be conducted for the Parish Council at the Fen View and Mill Lane play areas and the play equipment at the playing field. Inspections were carried out in February 2025. A summary of the findings of the Play Area Inspection Reports (2025) was received by the Council at its meeting on 3 June 2025 and the matters raised were prioritised for action.

6.9 At the meeting on 4 November 2025 the Council agreed to accept the proposal from Babergh District Council for them to arrange for The Play Inspection Company to undertake the 2026 play area inspections, at a cost of £59.57 +VAT per play area plus a 10% administration charge.

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

Precept 2025/26: £40,440 (7 January 2025, Minute 2764/2425 iii refers).

Precept 2026/27: £39,799 (13 January 2026, Minute 3004/2526 iii refers).

7.1 The Council noted on 5 November 2024 that the Finance Working Group had met to consider the 2025/26 budget and precept. A draft budget and precept were reviewed by the Council on 3 December 2024 with final approval due in January 2025. At its meeting on 7 January 2025 the Council agreed to set the 2025/26 budget at £41,052.00 and to submit a precept demand for £40,440.

7.2 The Clerk/RFO produced a draft 2026/27 Budget at the Council's meeting on 2 December 2025, when Council agreed to maintain a 0% movement on the Parish Council's 2026/27 Precept demand. At the meeting on 13 January 2026 the Council agreed to set the 2026/27 budget at £40,949 and the Precept at £39,799.

7.3 The precept was agreed in Full Council and the Precept decision and amount were clearly Minuted. The Clerk/RFO ensured that the Council was aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Detailed Budget papers were prepared

7.4 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 to ensure Councillors had sufficient information to make informed decisions. The estimates were used effectively for financial control and budgetary control purposes in the year of account. The Clerk/RFO provided reports upon the Budget position at meetings of the Council and this is noted in the Minutes of the meetings.

7.5 The monthly presentation of budgetary control information and data ensures that Councillors are promptly made aware of any significant differences in the expenditure incurred compared to the Budget and can take any action required accordingly.

7.6 As at 31 March 2026 the Overall Reserves stood at £114,563.05 and was represented as the following:

General Fund re: 2025/26 (to be allocated):	£10,812.41
Earmarked Reserve Funds:	£56,472.92
General Reserve Fund	£47,277.72

7.7 The Earmarked (EMR) and Restricted Reserves of £56,472.92 consisted of:

EMR Allotments:	£2,240.89
EMR Elections:	£845.74
EMR Play Area:	£6,832.00
CIL Funds (Restricted):	£46,554.29

7.8 The General Reserve Fund of £47,277.72 as at 31 March 2026 is in line with the generally accepted position that non-earmarked revenue reserves should usually be at least between three and twelve months of Net Revenue Expenditure (the SAPP Proper Practices Guide, Item 5.34 refers).

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

**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 by the Clerk/RFO and listed in the Minutes of Council meetings. Reports upon allotment issues, including income received, are provided to the Council as a matter of routine.

8.2 The Clerk/RFO maintains an Allotments Register in Spreadsheet form to record the plot holders, the fees due and received to secure the necessary administration.

8.3 During a previous financial year, it was agreed by the Council on 6 February 2024 that the allotments would be financially independent of the Precept and in order for this happen, rents would have to be increased. In accordance with the Allotment Holders' Agreements, any notification of a rent increase has to be given in the February of the year prior to the increase being introduced. The Council agreed to increase the rents by £1.30 per rod as from 1st April 2025.

8.4 At the meeting on 3 February 2026 the Council received the Allotment Rent Review (January 2026). The Clerk/RFO had undertaken the annual review of the allotment rents and associated annual charges which had been circulated to Councillors prior to the meeting. The Council agreed there was no real basis to introduce an increase of rent charges for the period 1 April 2027 to 31 March 2028. Any increase in rent charges from April 2028 would be considered in February 2027.

8.5 The Receipts totalling £83,817.01 recorded in the Cashbook for the year consisted of Precept (£40,440), Rents from Allotments (£1,332.95), Achilles annual Fee (£600) Copdock Village Hall – Car Park Surfacing (£1,000), SCC Grant - Bus Shelter (£19,550), SCC Grant – stile upgrade (£2,000), SCC Councillor Locality Grant (£3,000), BDC Councillor Grant – Bus shelter (£1,250), Gate Sponsorship (£1,620), VAT Refunds (£10,238.64), Bank Interest (£2,268.72) and BDC Recycling Scheme (£516.70).

8.6 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.

9.2 The Council has a Unity Trust Bank Corporate Multipay Card for use by the Clerk/RFO.

#### **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 during 2024/25 the Payroll was operated in-house in accordance with HMRC requirements. PAYE is in operation.

10.2 At the meeting held on 4 September 2023 the Council endorsed the appointment of Mrs Frankis as the permanent Clerk/RFO to the Council, the starting date being 1 September 2023.

10.3 A Contract of Employment is in place for the Clerk/RFO dated 1 September 2023 and signed by both parties on 5 September 2023. The Contract provides for the salary at SCP 24 (within the Scale LC2), normal working hours of 10 per week with an increment payable on 1 September 2024. At the meeting on 2 September 2025 the Council agreed to increase the Clerk/RFO's hourly rate in accordance with the 2025/26 National Joint Council (NJC) for Local Government Services Agreement and to back date the pay increase to 1 April 2025.

10.4 The Council has the following employment policies in place:

Accident Reporting Policy  
Dignity at Work Policy  
Disciplinary Rules  
Disciplinary Procedure  
Grievance Procedure and Policy  
Health and Safety Policy  
Lone Worker Policy

## Travel and Expenses Policy

10.5 With regard to the legislation relating to workplace pensions, the Pensions Regulator confirmed on 20 February 2024 that the Council had submitted a declaration of compliance under the Pensions Act 2008 to the Pensions Regulator. (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 At the meeting on 3 March 2026 the Council reviewed and agreed to adopt the Asset Register 2026.

11.2 As at 31 March 2026 the Asset Register displayed a total value of £161,061, an increase of £21,793 from the value of £139,268 at the end of the previous year, 31 March 2025. The increase reflects the following:

#### Additions:

Husqvara Brushcutter:	£375	
Litter bin, the bus stop:	£400	
Flagpole, the bus stop:	£500	
Grit Bin, bus stop:	£170	
11 no. PRow gates:	£4,000	
Clerk's mobile phone:	£250	
Bus shelter, The Street:	£20,000	
Office Shredder:	£32	
HP Laptop	£416	(£26,143)

#### Removals:

Noticeboard os school	£550	
Bus Shelter, The Street:	£3,800	(£4,350)

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 or, in appropriate cases, at a nominal (community) value of £1.

11.4 The value as at 31 March 2026 has been correctly placed in 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 Clerk/RFO provided financial reports to Council meetings, including bank balances and details of CIL money available. The Monthly Budget and Precept Reports and Bank Reconciliation are published on the Council's website to secure the delivery of information and transparency regarding the financial operations within the Council.

12.2 Payments were presented to the Council for approval for Councillors to make online payment. Payments and Receipts are listed in the Council's Minutes as part of the overall financial control framework, in accordance with the Council's Financial Regulations.

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

- (a) The Clerk/RFO is currently the Service Administrator who initiates the payments to be made through internet banking, which are then authorised by two Councillors before payment is released.
- (b) Four 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.
- (d) The procedure for electronic payments has been documented in the Council's Financial Regulations.
- (e) No cheques were used in the year 2025/26.

12.4 The Internal Audit report for the previous year (2024/25) was dated 19 April 2025 and was received by the Council at its meeting on 6 May 2025. There were no issues of concern raised in the report.

12.5 The Council appointed the Internal Auditor for the 2025/26 year at its meeting on 13 January 2026.

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

13.1 The External Auditors' Report and Certificate for the year 2024/25 was dated 16 July 2025 and was noted and approved by the Council at its meeting on 5 August 2025. The External Audit Report raised no issues of concern.

#### **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 Following the 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 relating to the year 2024/25 were readily accessible on the Council's website:

*<https://copdockandwashbrook.org/your-parish-council/finance/>*

#### **15. Additional Comments.**

15.1 I would like to record my appreciation to Mrs Susan Frankis, the Clerk/RFO to the Council, for her assistance during the course of the audit work and for the excellent presentation of the documents for audit.

*Trevor Brown*

**Trevor Brown, CPFA**

**Internal Auditor**

**17 April 2026**