Report to Levington and Stratton Hall Parish Council

End of Year Internal Audit Review 2025/26

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2025/26 year the Council maintained effective governance arrangements which included measures for the operation 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 an effective framework 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 of the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced financial 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:	*£14,087.17*
Total Payments in the year:	*£12,439.78*
Total Reserves at year-end:	*£31,913.15*

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: £30,265*
Annual Precept 2025/26:	*Box 2: £12,879*
Total Other Receipts:	*Box 3: £1,208*
Staff Costs:	*Box 4: £6,355*
Loan interest/capital repayments:	*Box 5: nil*
All Other payments:	*Box 6: £6,084*
Balances carried forward (31 March 2026):	*Box 7: £31,913*
Total cash/short-term investments:	*Box 8: £31,913*
Total fixed assets:	*Box 9: £15,650*
Total borrowings:	*Box 10: nil*

1.5 Sections One and Two of the AGAR were approved by the Council at its meeting on 6 May 2026 and have been signed by the RFO and Chairman.

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

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1.7 All documents were very well presented by the Clerk/RFO for the Internal Audit Review. The following Internal Audit work was carried out on the adequacy of systems of internal control. 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 13 May 2025. The first formal item of Parish Council business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The election of the Planning Committee, the Finance and Advisory Group, Officers and Councillors for Representative Bodies and External Engagement was approved by the Council at its meeting on 13 May 2025. The Clerk, Mrs Angie Bugg, was re-affirmed as the Council's Responsible Financial Officer.

2.3 Revisions to the roles and responsibilities of some Councillors were made in the year and a revised list was agreed by the Council at its meeting on 2 September 2025.

2.4 Standing Orders are in place and are based upon the latest Model Standing Orders published by the National Association of Local Council (NALC). The Council gave formal approval to the Standing Orders at its meeting on 2 September 2025. A copy has been published on the Council's website.

2.5 Financial Regulations are in place and are also based upon the latest model Financial Regulations published by NALC. The Council gave formal approval to the Financial Regulations at its meeting on 2 September 2025. A copy has been published on the Council's website.

2.6 At the meeting on 23 May 2023 the Council adopted the General Power of Competence (GPoC). It was confirmed that the Council met the eligibility criteria (viz. that councillors elected at the last ordinary election exceeded two thirds of its total number of councillors and that the Clerk holds the CiLCA qualification). The GPoC remains in place until the annual meeting following the ordinary election in May 2027. (Eligibility remains in place until the first annual meeting of the council after the ordinary election - referred to as 'the relevant meeting' in the Regulations - even if the condition of the eligibility criteria has changed in the meantime).

2.7 The Council has adopted a Mission Statement to assist in providing direction and focus to the Council's development pathway. The Council considered and agreed the Mission Statement at its meeting on 2 March 2026.

2.8 A 4-year Plan of Action is in place and the Clerk/RFO provided a copy to the Internal Auditor. The Plan aims to identify the significant projects for the remaining period of this Parish Council's term and includes the Amplification of the Village Hall and projects regarding Flooding and the Website.

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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 ZA065556, expiring 12 August 2026). The Registration details on the ICO's webpage https://ico.org.uk/ESDWebPages/Entry/ZA065556 continues to display an out-of-date the contact address for the Council as 11 Red House Walk, Levington, Ipswich, Suffolk IP10 0LY. The Clerk/RFO confirmed that the ICO does have the correct address on all correspondence received by the Council but has not updated its website despite repeated requests.

2.10 The Council has adopted a range of Data Protection Policies and Procedures to evidence the Council's compliance with the General Data Protection Regulations (GDPR). A Data and Information Protection Policy and a Freedom of Information Policy were adopted by the Council at its meeting on 2 March 2026. Other Data Protection Policies in place include a Personal Data Assessment Matrix, a Privacy Policy, a Data Breach Log and a General Data Protection Awareness Checklist for Councillors.

2.11 At the meeting on 2 March 2026 the Council also approved and adopted the IT Policy and the Biodiversity Policy.

2.12 The Council's key Policies and Procedures are published on the Council's website. It is good practice that the Council's approved Policies relating to Data Protection and Freedom of Information are published to ensure that the public (and local residents in particular) are informed of the policies regarding the use of personal data and the freedom to access that data.

2.13 At its meeting on 2 March 2026 the Council re-adopted the Local Government Association (LGA) Code of Conduct. The Council demonstrates good practice by periodically reviewing and re-adopting the Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor.

2.14 The Council maintains a standing item at each meeting for the Code of Practice and Declaration of Interest issues to be considered.

2.15 The Minutes of the Council's meetings are well presented and provide clear evidence of the decisions taken by the Council**.** Each page of the numbered Minutes on file was signed/initialled by the Chair of the meeting at which the Minutes were approved to ensure that a lawful and authentic record is maintained.

2.16 A new Assertion 10 is included in the Annual Governance Statement (AGS) within the 2025/26 AGAR. The SAPPP Practitioners' Guide states that to be fully compliant with Assertion 10 a local council must:

a) **Use a council-owned domain** (This is being met as the Council has registered under an official .gov.uk domain name of levingtonparishcouncil.gov.uk).

b) **Operate at least one generic email account on the council owned domain** (This is being met. The Clerk/RFO's email address is published as *clerk@levingtonparishcouncil.gov.uk*. The Clerk/RFO confirmed that each Councillor (including any new Councillors as they are appointed) have .gov.uk email accounts and that any Councillors who resign from the Parish Council have .gov.uk email accounts deleted.

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c) **Ensure the website is accessible to Web Content Accessibility Guidelines (WCAG) 2.2 AA standards** (The Council has published a Website Accessibility Statement which states that the website is only partially conformant with the previous and lower WCAG 2.1 level AA standard (the website having been tested in-house on 14 February 2023 using the WAVE web accessibility evaluation tool). Accordingly, the website accessibility may not be fully compliant to the higher WCAG 2.2 AA standard).

d) **Adopt a formal IT Policy** covering data protection and device usage (The Council has adopted an IT Policy).

Recommendation 1: Whilst it is considered that the Council is overall demonstrating proper governance of its digital presence, the Council is advised to test the Council's Website as soon as practicably possible to determine how far the website is compliant with the latest accessibility standard WCAG 2.2 AA. Following the review, action can be taken to address any areas not in compliance with the latest standards, if it is practicable to do so.

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 has been well constructed; it is comprehensive and well referenced and facilitates an audit trail to the Bank Statements, the Cheque Book counterfoils and the financial information prepared by the Clerk/RFO. Payments are sub-analysed over specific headings and VAT transactions are tracked and separately identified to assist future reclaims to HMRC.

3.2 An overall Summary Receipts and Payments Account as at 31 March 2026 has been constructed by the Clerk/RFO from the Spreadsheet to itemise the types of receipts and payments and provides a comparison to the receipts and payments for the previous year.

3.3 The Internal Auditor examined the Receipts and Payments Account approved by the Council on 6 May 2026 and the Expenditure Analysis within the Spreadsheet and all was found to be in order. Sample testing was undertaken to confirm that entries agreed with the bank statements and supporting invoices/vouchers.

3.4 At the time of the audit, the most recent re-claim to HMRC for VAT paid was the amount of £218.14 VAT relating to the period 1 April 2019 to 31 March 2022 which was received at bank on 15 June 2022. The Clerk/RFO confirmed that a further re-claim to HMRC for VAT paid since April 2022 is shortly to be submitted to HMRC.

3.5 A Statement of Explanation 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 publication on the Council's website.

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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 End-of-Year accounts are prepared on a Receipts and Payments basis; sample checks were undertaken on the documents constructed by the Clerk/RFO and all was found to be in order.

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

5.1 Bank balances are reported by the Clerk/RFO to meetings of the Council and noted in the Minutes of the meetings.

5.2 The Bank Statements as at 31 March 2026 for the Barclays Community Account (£7,255.59) and the Barclays Business Premium (Savings) Account (£24,720.90) reconciled with the End-of-Year accounts and agreed with the overall Bank Reconciliation for all accounts after taking into account a total of £63.34 unpresented cheques as at 31 March 2026 as follows:

101142	- dated 1 June 2022:	£20.00 (not cleared at date of audit)
101306	- dated 2 September 2025:	£16.34 (not cleared at date of audit)
101327	- dated 24 March 2026	£27.00 (cleared 14 April 2026)

Recommendation 2: The Unpresented cheque 101142 for £20 is dated 1 June 2022 and is now out-of-date and should be written back into the accounts as a deduction from Payments in accordance with accounting practice for the treatment of written-back cheques. Following this action, the cheque will no longer have to be included as a balancing item in each Bank Reconciliation undertaken for the Council. The Clerk/RFO has agreed to take this action in 2026/27.

6. Transparency Code (Compliance for smaller councils with income/ expenditure under £25,000) and Publication Requirements (Notice of the period for the exercise of public rights).

6.1 Under the provisions of the Transparency Code, Levington and Stratton Hall Parish Council can be designated as a 'Smaller Council'.

The Council's website is: <u>*https://levingtonparishcouncil.gov.uk/*</u>

6.2 Smaller authorities should publish on their website:

a) ***All items of expenditure above £100.*** (Included in the Minutes of Council meetings).
b) ***Annual Governance Statement 2024/25 AGAR Annual Return Section One*****.** (Published on the website).
c) ***End-of-Year accounts 2024/25 AGAR Annual Return, Section Two*****.** (Published on the website).

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d) ***Annual Internal Audit report 2024/25 within AGAR Annual Return.*** *(*Published on the website).
e) ***List of councillor or member responsibilities.*** (Published on the website).
f) ***The details of public land and building assets (Asset Register).*** (Published on the website).
g) ***Minutes, agendas and meeting papers of formal meetings.*** (Published on the website).

6.3 At the time of the Internal Audit the Transparency Code was being complied with in full.

6.4 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.

6.5 The remaining documents required to be published, as listed in the AGAR Page 1 Guidance Notes (including Certificate of Exemption, bank reconciliation and analysis of variances) were confirmed at the date of the audit as being easily accessible on the Council's website.

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

Precept 2025/26: £12,878.60 (4 November 2024, Minute 94.24f refers).

Precept 2026/27: £12,878.00 (5 November 2025, Minute 192.25f refers).

7.1 At the meeting on 4 November 2024 the Council agreed apply a Precept for £12,878.60 in line with the 2025/26 Budget. The Precept decision and amount have been clearly Minuted.

7.2 The Council considered and approved at its meeting on 5 November 2025 the Budget and Precept for 2026/27. It was agreed that a Precept of £12,878 would be applied in the year 2026/27. The Precept decision and amount have been clearly Minuted.

7.3 The Budget documents are detailed and act as a sound basis for the Council to undertake budgetary control and scrutiny during each year of account.

7.4 At its meeting on 5 November 2025 the Council received the Half-Year Accounts to 30 September 2025 which were examined and accepted by the Council. The Council demonstrates good financial practice in this way by receiving reports of the income and expenditure in the year compared with the budget headings. This enables the Council to identify any significant variations from budget and take remedial action as necessary.

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7.5 The Council is currently maintaining sufficient Reserves and Contingency sums to meet, within reason, any unforeseen items of expense that may occur. As at the 31 March 2026 the Council's Overall Reserves totalled £31,913.15, which the Clerk/RFO confirmed included the following £13,600 Earmarked Reserves:

- VAS Signs:	£12,000
- Replacement computer:	£600
- Election Expenses:	£1,000

7.6 The General Reserves (Overall Reserves less Earmarked Reserves) accordingly stood at £18,313.15 which 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/Precept (the SAPPP Practitioners' Guide, Item 5.34 refers).

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

8.1 Mrs Angie Buggs was appointed by the Council to the position of Clerk/RFO with effect from 1 January 2020. A Contract of Employment between the Council and Mrs Buggs was agreed and signed on 14 December 2019. The Contract records Mrs Buggs's commencement date of employment and that the working hours would remain (on average) at a maximum 8 hours per week at a starting salary commensurate with Mrs Buggs holding the CiLCA qualification.

8.2 Payroll Services are outsourced to the Suffolk Association of Local Councils (SALC) which is administering the payroll on the Council's behalf in accordance with HMRC requirements. PAYE is in operation, and detailed payslips are provided.

8.3 At its meeting on 2 September 2025 the Council noted that the NJC for Local Government Officers had agreed a pay increase effective from 1 April 2025. The Council approved the new pay scales and the increase in the Clerk/RFO's salary, (Salary Scale LC1 13) backdated to 1 April 2025.

8.4 With regard to the legislation relating to workplace pensions, the Clerk/RFO confirmed that a re-declaration of compliance under the Pensions Act 2008 was submitted to the Pensions Regulator on 2 November 2023. (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).

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

9.1 Income received is reported to the meetings of the Council. The Clerk/RFO has constructed Statements detailing the income of £14,087.17 received in the 2025/26 year of account. As at the year-end 31 March 2026 the Council had received the following: Precept payment from the District Council (£12,878.60), ESC Warm Rooms (£500), Locality Budget (£443.50) and bank interest in the Business Premium (Savings) Account (£265.07). The entries in the Spreadsheet were confirmed to the bank statements on a sample basis.

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

10.1 No Petty Cash is held. Expenses incurred on council business are reimbursed by the Council.

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

11.1 At the meeting on 13 May 2025 the Council discussed the work undertaken regarding litter picking on the Old A45 Dual Carriageway and the cleaning of signs and bus shelters by volunteers and agreed that risk assessments should be reviewed. On 2 September 2025 the Council received an update on the Litter Picking initiative to be undertaken on 27 September 2025 and noted that the Risk Assessment which had previously been used was suitable for current use.

11.2 The Council reviewed its overall Risk Management arrangements at its meeting on 2 March 2026 (Minute 24/26a refers) as part of the Council's overall review of Policies and Procedures. The risk assessment displays the area of risk, the risks identified within those areas, the level of risk (H, M or L) and the internal control measures in place to control/mitigate the risks and the review actions required to take place.

11.3 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require that at least once during each financial year a Council must undertake a review of the effectiveness of its Internal Control arrangements, including the management of risk and Minute that the review has taken place.

11.4 The Council has insurance cover in place for the period 1 October 2025 to 30 September 2026. The Clerk/RFO had received a quotation of £511.49 from James Hallam Insurance Broker (CAS) providing cover from Ansvar Insurance. The policy includes Employer's Liability cover and Public Liability cover, each at £10m. The Fidelity Guarantee (Employee/Councillor Dishonesty) cover stands at £250,000, which is in line with 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.

11.5 During the year 2025/26 the Council constructed the Levington and Stratton Hall Emergency Plan. At the meeting on 2 September 2025 the Council noted that all changes which had been discussed at the previous Parish Council meeting had been incorporated into the Emergency Plan and a map of areas likely to flood would be included in the plan.

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 Council receives detailed Financial Reports at its meetings. The Reports include details of Payments made since the previous meeting and any Payments requiring approval. The Financial Reports also include details of Income received

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since the previous meeting, any anticipated Income and Bank Balances held. The details are recorded in the Council's Minutes.

12.2 A well-constructed Spreadsheet is being utilised by the Clerk/RFO to maintain the Council's Receipts and Payments accounting system and this provides the necessary financial control over each transaction. A sample of transactions was examined with the supporting invoices/vouchers and bank statements and found to be in order.

12.3 The End-of-Year Internal Audit Report for the 2024/25 year was dated 8 June 2025 and was received and accepted by the Council on 7 July 2025. The Report had put forward two recommendations, as follows:

R1: *The Unpresented cheque 101142 for £20 is dated 1 June 2022 and is now out-of-date and should be written back into the accounts as a deduction from Payments in accordance with accounting practice for the treatment of written-back cheques. Following this action, the cheque will no longer have to be included as a balancing item in each Bank Reconciliation undertaken for the Council.*

Update as at 10 June 2026: This remains outstanding and is repeated at item 5.2 above.

R2: *The Council should ensure that when cheques are signed by Signatories, the counterfoils of each cheque are also signed or initialled by Cheque Signatories to meet the financial control requirements listed within the Council's Financial Regulations item 6.5.*

Update as at 10 June 2026: The Clerk/RFO confirmed that this issue is being addressed by the Council.

12.4 The Internal Auditor for the year 2025/26 was formally appointed by the Council at its meeting on 13 May 2025 and confirmed at the meeting on 2 March 2026.

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

13.1 A comprehensive Asset Register is in place and includes a description of each asset, the location, the value at cost, the year of acquisition with explanatory notes and comments.

13.2 As at 31 March 2026, the value of assets totalled £15,650, unchanged from the value as at the end of the previous year, 31 March 2025.

13.3 The Register complies with the current requirements which provide that each asset should be recorded at a consistent valuation, year-on-year and has been correctly entered into Box 9 of the AGAR 2025/26.

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

14.1 An External Audit was not required in the year 2024/25. At its meeting on 13 May 2025 the Council approved the completion of a Certificate of Exemption from a Limited Assurance Review for that year of account. At the Council's meeting on 7 July 2025 the Clerk/RFO reported that the Council had received from the External Auditors, PKF Littlejohn LLP, formal notification of its exemption status for the year ended 31 March 20245.

14.2 For the year 2025/26 the Council may similarly apply for Exemption from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015 as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account. The Certificate of Exemption was approved by the Council at its meeting 6 May 2026.

15. Additional Comments.

15.1 I would like to record my appreciation to Mrs Angie Buggs, the Clerk/RFO, for her assistance during the course of this audit work and for the careful presentation of the Council's documents for the audit.

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10 June 2026

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