

Internal Audit Report for Southwold Town Council for the period ending 31 March 2026

Clerk	Lesley Beevor
RFO (if different)	-
Chairperson	Councillor Paula Goldsmith
Precept	£176,651
Income	£624,639
Expenditure	£713,409
General reserves	£151,398
Earmarked reserves	£1,087,493
Audit type	Annual – Non-Exempt Authority
Auditor name	Victoria Waples

Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2025/26 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Council's Standing Orders 2025-2026 were adopted at the Annual Council Meeting of 27 th May 2025 (Minute ref #10 Page 3204-3205) and are based on the latest model published by the National Association of Local Councils (NALC) in 2025 and are fully tailored to the council.
Are Financial Regulations up to date and reviewed annually?	Yes	Council's Financial Regulations having been reviewed by the Finance and Governance Committee were also adopted by the Town Council at its meeting of 27 th May 2025 and are based on the NALC Model Financial Regulations published in March 2025 (Minute ref #10 Page 3204-3205). <i>Comment: it is assume that council has noted NALC Advice Note – Procurement, 3 February 2026 link to view the advice note and has ensured any applicable revisions are incorporated at this most recent review.</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. Council's own Financial Regulation 1.5 confirms that the Clerk is so appointed and minutes of the meeting of 27 th May 2025 (Minute ref #8a Page 3203)
Additional comments: <i>In accordance with the Local Government Act 1972 s14(3) and with reference to council's own standing orders, at the meeting of 27th May 2025, council granted authorisation to the Clerk to seal legal and civic documents (Minute ref #11 Page 3204).</i>		

¹ Section 151 Local Government Act 1972

Section 2 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	<p>At the meeting of 28th January 2025, the council received the finalised version of the budget papers from the Finance and Governance’s meeting of 27th January 2025. It was resolved to set the revenue expenditure budget for the year 2025-2026 in the sum of £277,450 and the income budget in the sum of £191,601 (Minute ref #7c Page 3147). The minutes also confirm the approval of the capital budget for the year 2025-2026 in the sum of £724,000 to be funded from capital income, asset maintenance reserves and the net capital sales from the sale of a property in the council’s portfolio.</p> <p>The revenue expenditure budget of £310,838 and income budget of £235,960 for the financial year 2026 - 2027 was approved at the council meeting of 13th January 2026.</p> <p><i>Comment: council has evidenced within the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept for the year 2025 – 2026 was set at the meeting of 28th January 2025 with the minutes confirming that the precept would be set at £176,651.41. The minutes demonstrate that this would equate to a nil increase over that set for the previous year but there was an expectation that this would be increased for 2026-2027 (Minutes ref #7d Page 3148).</p> <p>The precept for the year 2026 - 2027 was discussed and approved at the meeting of 13th January 2026 and set at £185,960. The minutes demonstrate that this would be an increase of £6/yr, i.e. 12p per week on the previous year. However, in view of the change in the number of houses being charged The precept, the Band D charge would still be the same as it was in 2017.</p> <p><i>Comment: in accordance with best practice, council has recorded in the</i></p>

		<p><i>minutes the impact the precept being set would have on a Band D Dwelling in percentage terms.</i></p>
<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>Yes</p>	<p>The Finance and Governance Committee, under delegated powers, received regular reports detailing bank balances and approval of bank reconciliations, along with reviews covering comparisons between budgeted and actual income and expenditure. Monitoring statements produced showing evidence of comparisons between budgeted and actual income and expenditure are used as the basis of approval for virements in accordance with council's own Standing Orders and Terms of Reference.</p> <p><i>Comment: council is acting in accordance with the timescales as specified in its own Standing Order 17c.</i></p> <p>Council continues with the practice of ensuring that virements between budgets are considered by the Finance and Governance Committee and recommended for approval to the Town Council as and when they arise, subject to Financial Regulation 5.17 which states that "No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee acting within its Terms of Reference except in an emergency." Regulation 5.18 provides the limits by which the Clerk may authorise expenditure on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such action to the Chair of the council as soon as possible and to the relevant committee as soon as practicable thereafter.</p> <p>A scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered.</p> <p>Council's Financial Regulations as adopted by full council details under Financial Regulation 5.15 the expenditure on revenue items that may be authorised on behalf of the council within an agreed budget for that type of expenditure. The Regulations clarify the delegated authority and limits for such expenditure noting that such an action must be supported by a minute or other auditable evidence trail.</p>

<p><i>Reserves held – general and earmarked²</i></p>	<p>Yes</p>	<p>The Council, as at year-end, had overall Reserves totalling £1,238,891 with General Reserves totalling £151,398 and Earmarked Reserves of £1,087,493.</p> <p>Council has, within its own Reserve Policy, (as reviewed and adopted at the Council meeting of 24th June 2025 by (Minute ref #8e Page 3214) sets a limit to be held for its general reserve and is aware that this will be subject to further reviews to include cash flow requirements, inflationary and interest rates, diversification of funds to spread risk and optimize interest returns. The adopted policy states that the town council will aim to build sufficient cash general reserves to the equivalent of one year’s noncapital related expenditure. It is confirmed that the policy will be considered annually at the budget setting meeting in October/November and the precept will be considered accordingly.</p> <p><i>Comment: Council has noted guidance, as issued by Proper Practices (March 2025), which states that it is regarded as acceptable for a council’s general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with its general reserve policy. It is still generally held that councils with income and expenditure in excess of £200,000 should plan towards three months equivalent general reserve and that those councils with self-generated income, should take into account situations that may lead to a loss of revenue as well as increased costs.</i></p> <p>Whilst there is no upper or lower limit to EMRs, save only that they must be held for genuine and identifiable purposes and projects, council has ensured that the levels set are subject to regular review and justification (at least annually and at budget setting) and that they are separately identified and enumerated.</p>
<p>Additional comments:</p>		

² In accordance with proper practices, the generally accepted minimum level of a Smaller Authority’s General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

Section 3 – Proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council continues with its use of the Rialtas Financial Software accounting package which produces a suite of tools to allow for reporting on an Income and Expenditure basis. The software is cloud based allowing for the software to be accessed via a browser with centrally managed back-ups and upgrades thereby adding an extra layer of encryption and security measures. As has previously been stated, the accounting procedure used by the RFO gives a more accurate presentation of the authority's true financial position by ensuring that there is detailed focus on the balance of economic benefits under the council’s control, rather than just its bank balance. The financial software used by the Council allows the automation of many of its transactions involving income and expenditure and employee payroll, as well as reports and financial statements.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	Council’s gross income and expenditure level is above the threshold of £200,000 and has been for three (3) continuous years. Council’s operating above this limit for a period of three continuous years must report their financial details on an income and expenditure basis. Council has correctly applied this process to its financial reporting. <i>Comment: council is aware that for income and expenditure reporting, it must reflect all income and benefits received, and all expenditure, in the relevant reporting period.</i>
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis with verifications of the cashbook against bank statements undertaken and recorded as having been reconciled. It is confirmed that the correct roll forward from the prior year was stated in the new financial year.
<i>Is the arithmetic correct?</i>	Yes	The functionality of the cashbook was found to be in order. Journal entries between cost codes for the year under review were seen and verified with supporting documentation reviewed. All payments and receipts are clearly referenced with a description as to the expenditure and income being

		incurred along with supporting documentation thereby ensuring the integrity of the data being input and processed.
Additional comments:		

<p>Section 4 – Payment controls The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
Evidence		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	<p>In accordance with its own Financial Regulations covering Banking and Payments and Procurement, expenditure is presented to council monthly for review and authorisation for payment is made by resolution. The council's reporting mechanism confirms the procedures in place to oversee the Town Council's finances and ensuring public money is managed responsibly, transparently and in accordance with the law. A selection of random payments were cross checked minutes, cash book, bank statement and invoices and all were found to be recorded / authorised in accordance with Proper Practices. All were found to be in order.</p> <p>Spot check of items paid via the Direct Debit system from the council's accounts were cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.</p> <p><i>Comment: in accordance with Financial Regulation 6.6, for each financial year the RFO has drawn up a list of due payments which arise on a regular</i></p>

	<p><i>basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which the Finance Committee may authorise payment for the year provided that the requirements of Regulation 4 (Budget and Precept) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council for noting.</i></p> <p>For the year under review, there were no tenders or contracts over £30,000 including VAT, for which the council needed to comply with the requirements of the Procurement Legislation regarding the publication of invitations and notices. Nor were there any contracts estimated to exceed £60,000 including VAT, for which the Clerk needed to advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation.</p> <p><i>Comment: it is noted that the tender awarded during the 2024–2025 for the Gable End Hurren Terrace is ongoing into 2025-2026. In accordance with the procedures for the management of capital projects, the RFO has ensured that payments are made against certified completions under a planned and approved programme of works governed by a properly negotiated contract supervised by a named authority officer.</i></p> <p>The Transparency Code 2015 requires the quarterly publication of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. Section 31 of the code states that “Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000”. This is in addition to the requirements covered by Financial Regulation 5.4.</p> <p><i>Comment: the quarterly reports were available to view on the council’s website.</i></p> <p>Similarly, the 2015 legislation requires the publication of any contract, commissioned activity, purchase order, framework agreement and other legally enforceable agreement awarded with a value that exceeds £5,000. Section 32 of the code states “Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement</p>
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		<p>and any other legally enforceable agreement with a value that exceeds £5,000.”</p> <p><i>Comment: council has reviewed the provisions of the code, and, where applicable, has sought to publish the required information.</i></p>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	<p>Council has ensured that, for the settlement of its invoices by the BACS system, and in accordance with Financial Regulation 6.2, there is a two-tier authorisation system which ensures that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. A review of the procedures followed for receipt of invoices, agreement of invoice detail and confirmation of goods or services delivery along with approval for payments was undertaken on a sample of individual payments. In the actions undertaken in committing the council’s resources, Council is operating within Financial Regulations 6.1 through to 6.9.</p> <p><i>Comment: with reference to council’s own Financial Regulations 6.6 and 6.7, payments made in relation to a continuing contract or obligation (which have been authorised in advance) are reported to the next appropriate meeting of the Town Council. Such reports are also included in the payments, receipts and bank balances submitted to full council for information only.</i></p> <p>As part of the Council’s internal control environment and acknowledging that the use of the Banking Automated System is the primary means for the settlement of the council’s financial account, Council might wish to consider evidencing that the Town Council has reviewed the bank signatories to be held on the bank mandates thereby ensuring that the mandate was still necessary and that the authorized individuals had not changed.</p> <p><i>Comment: such a review would maintain compliance with regulatory requirements and Council’s own governance procedures as well as providing clarity to the bank regarding the roles of those who may act on behalf of the bank account.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified in the cash book and reclaimed on a monthly basis. The VAT Assessment File as produced by the accounting package operated by the RFO was reviewed and verified. The year-end recoverable VAT figure of £2,132.26 was seen and interrogated and reflects that which is shown on the Balance Sheet, as submitted.</p>

		<p>Previous monthly VAT returns were analysed and sample tests undertaken to ensure that the VAT element within the payment and receipt records is being clearly identified and appropriately accounted for within the accounting system. For the period under review, the RFO has ensured that VAT has been appropriately identified in relation and correctly coded according to the council's business and non-business activities within the financial records of the software used thereby confirming that robust arrangements are in place for managing its responsibilities regarding VAT.</p> <p><i>Comment: the Clerk has ensured that the council has complied with section 33 of the 1994 VAT Act which allows local authorities and other public bodies to recover VAT incurred on costs associated with: non-business activities, taxable business activities where the body is VAT registered (subject to the normal rules), and exempt business activities (where the input tax incurred in relation to exempt activities is considered to be insignificant).</i></p>
<p>Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly?³</p>	<p>Yes</p>	<p>Council, having declared that it fulfilled the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)), resolved at the meeting of 30th May 2023, to use the power until the next relevant Annual Council Meeting (May 2027). Council reconfirmed that it met the conditions of eligibility at the meeting of 27th May 2025 (Minutes ref #8b Page 3203) which remained valid until the annual meeting following the next ordinary election in May 2027.</p> <p>Council operates an Occasional Grants Policy with grants being awarded to support community organisations which are able demonstrate a clear need for financial support and which contribute towards the vision and aims for Southwold. Projects and activities must have a specific benefit to residents of the area. The policy is adhered to, regularly reviewed and considered fit for purpose. Grants awarded under this category totalled £15,138 against an annual budget of £8,600 (with an additional fund of £10,000 from community support services).</p> <p>The Local Government Transparency Code 2015 requires all Parish Councils to publish certain financial data relating to grants awarded if they have a gross annual income or expenditure exceeding £200,000. Section 42</p>

³ Localism Act

		<p>provides clarity on the manner in which this information should be produced whilst section 43 details the information that must be published as a minimum: date the grant was awarded; time period for which the grant has been given; local authority department which awarded the grant; beneficiary; beneficiary's registration number (if applicable) summary of the purpose of the grant, and amount.</p> <p><i>Comment: council has published the minimum data required under Section 43 of the Code, noting that to ensure compliancy with the requirements of the Code, the following reporting requirements should be in place (date the grant was awarded, period for which the grant has been given, local authority department which awarded the grant, beneficiary, and summary of the purpose of the grant, and amount.</i></p>
Are payments under s.137 ⁴ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Yes	The council has one Public Works Board Loan (PW506406). The balance outstanding on 31 st March 2026 was £45,000. Repayments for the period ending 31 st March 2026 totalled £34,731.94 in accordance with the instalment repayment schedule as issued with payments being recorded as having been made on 19 th September 2025 (£15,663.75) and 19 th March 2026 (£15,531.00). The loan type is fixed, and the repayment method is via an EIP (Equal Instalment of Principal loan).
Additional comments:		

Section 5 – Income controls

The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.

⁴ Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £11.10 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	<p>During the year under review, Council received income from identified sources all of which was banked intact with the transactions identified within the accounting system operated by the RFO.</p> <p>In accordance with Financial Regulation 13.2, Council understands that it should review all fees and charges annually, with increases as deemed appropriate. The Landlords Committee meeting of 23rd October 2025 detailed that rent reviews would be carried out and tenants would be so advised about these with commentary that the review would not necessarily mean a change to the current rent. Reviews and recommendations into the fees and charges for market rents and other assets not part of the built portfolio were also reviewed within the remit of the relevant committee's terms of reference. Council's minutes highlighted the reviews that have been undertaken and recommendations approved by the council in terms of fees, rents and terms and conditions to be applied.</p> <p><i>Comment: council is aware that fee reviews are essential to ensure that the council's income module remains competitive as well as ensuring profitability is maintained it should minute the results of any fee reviews even if a decision is undertaken for a nil increase.</i></p> <p>A sample review of the control rents for allotments, venue hire, leases, rents and licenses along with associated documentation was undertaken during the internal audit visit and all expected income was found to be based on the correct price, properly recorded and promptly banked with VAT (where appropriate) accounted.</p> <p><i>Comment: in accordance with proper practices, Council has ensured that there are appropriate control procedures in place along with documentation to provide a clear audit trail through to invoicing and recovery of all such income.</i></p> <p>Further spot checks during the internal audit visit on further items paid under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Council.</p>
<i>Is income reported to full council?</i>	Yes	<p>A review of the financial transaction reports was undertaken to ensure income was coded to the appropriate nominal income code and all were</p>

		<p>found to be in order with appropriate control procedures and documentation to provide a clear underlying audit trail through to invoicing and recovery of all such income.</p> <p><i>Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of members, or under delegated authority by the Responsible Financial Officer and that such approval should be shown in the accounting records.</i></p>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £176,651 from East Suffolk Council for the period under review in April and September 2025 as reported within the minutes of full Council of May and September 2025. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁵</i>	Yes	For the year under review, Council received CIL Receipts in the sum of £2,499.99 in October 2025. CIL receipts are reported to full Council as part of its overall Income and Expenditure Reports.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported overall within the financial reports submitted to the Council. A CIL Working Group with adopted Terms of Reference has been established to review expenditure to be incurred under CIL. Council understands the five-year time limit upon Neighbourhood CIL receipts and the Working Group is tasked with reviewing current and future expenditure with formal recommendation submitted to the Town Council for consideration.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL financial overview report for 2025 - 2026 shows retained year-end balance of £11,664.23 which is retained in Earmarked Reserves specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement for 2025 - 2026 has been produced and is to be presented to the Council for formal approval.
<i>Has it been published on the authority's website?</i>	Yes	The Draft statement for the year ending 31 st March 2026 was submitted for internal audit review and, once approved by the council will be published on the council's website. The statement reflects the sums incurred, expended

⁵ Community Infrastructure Levy Regulations 2010

		and retained by the council. The CIL report for the year ending 31 st March 2025 was available to view on the council’s website. <i>Comment: council is aware that the Regulations provide clarity on the timing of the reports, and by which date they should be brought into the public domain.</i>
Additional comments:		

Section 6 – Petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	Petty cash is not operated by the council.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	

Section 7 – Bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations were completed on a regular basis throughout the year. with independent scrutiny of the bank reconciliation being carried out by a nominated Councillor. An interrogation of the cash book and bank statements demonstrated that there were no matters arising from the review which suggested that there were errors in the entries and there was no

		<p>identification of signs of fraud or duplicate entries (for which explanations or corrections were not forthcoming). The reconciliations conducted allow for the process of comparing internal records against statements from financial institutions and other external sources to ensure money that exits in an account matches money spent. Overall there is regular reporting of bank balances within the detailed financial reports submitted to both full council and the Finance and Governance Committee.</p>
<p><i>Do bank balances agree with bank statements?</i></p>	<p>Yes</p>	<p>Bank balances as of 31st March 2026 agree with the year-end bank statements and cashbook and at year end stood at £1,315,846 across the accounts held in the Town Council's name.</p> <p>Southwold Town Council currently holds investments with Lloyds Bank (Current Account; Instance Access Account and 32 Day Notice Account) and the CCLA (Public Sector Deposit Fund).</p> <p>Council is aware that in accordance with proper practices it is required to ensure that it has assessed the counterparty and is satisfied that the sum invested is not subject to unreasonable risk. It has adopted and annually reviews its Investment Policy & Strategy. The adopted policy reflects the statutory guidance on Local Government Investments (3rd Edition) issued under Section 15(1)(a) of the Local Government Act 2003 and sets out the Town Council's objectives, practices and reporting arrangements for the effective management and control of treasury activities and associated risks. Clear reporting and monitoring procedures are outlined within the policy with any departures being brought back to the Finance and Governance Committee for review and approval.</p> <p>The meeting of full council of 27th May 2025, approved the updated Investment Policy and Strategy Policy for 2025-2026 (Minute ref #8c Page 3204).</p> <p><i>Comment: the Strategy available to view on the Council's website shows a review date of 30th May 2024 and references the Financial Services Compensation Scheme level of £85,000. Council may wish to consider updating the document at the next annual review.</i></p>

<p><i>Is there regular reporting of bank balances at Council meetings?</i></p>	<p>Yes</p>	<p>Overall, there is regular reporting of bank balances within the detailed financial reports submitted to the Finance and Governance Committee and full Council. Council continues with the system whereby the monthly reconciled bank accounts are presented to the council appointed Internal Controller ensuring that there is access to not only the reconciliation of the cash book to bank statements but also the underlying background evidence upon which the reconciliation is based.</p> <p><i>Comment: council has noted FR 2.6 which states that at least once in each quarter, and at each financial year end, a member other than the Chairperson shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.</i></p>
<p>Additional comments:</p>		

<p>Section 8 – Payroll controls The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.</p>		
<p>Evidence</p>		<p>Internal auditor commentary</p>
<p><i>Do all employees have contracts of employment?</i></p>	<p>Yes</p>	<p>Council had four employees on its payroll at the period end of 31st March 2026. Employment contracts were not reviewed during the internal audit visit for the year ending 31st March 2026, but the Clerk has confirmed that all staff have an employment contract.</p>
<p><i>Has the Council approved salary paid?</i></p>	<p>Yes</p>	<p>All salary payments are presented to full Council for approval and payment is made via internet banking in accordance with council’s own Financial Regulations. Council shows compliance with Financial Regulation 11.6 (Payments of salaries and allowances) which states that each payment to employees of net salary and to the appropriate creditor of the statutory and</p>

		<p>discretionary deductions is recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook</p> <p><i>Comment: Council has noted the requirement to ensure that it formally approves amendments to any employee's pay, emoluments, or terms and conditions of employment.</i></p> <p>The minutes of the meeting of 30th September 2025 confirm that following a recommendation from the Finance and Governance Committee, full council, agreed for the implementation of the National Salary Award 2025 applicable from 1st April 2025 effective October 2025 with backpay payable from 1st April 2025 (Minute ref #10d Page 3241).</p> <p><i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i></p>
<i>Are all employees paid at least the minimum wage?</i>	Yes	All employees are paid at least the National Living Wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	<p>The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on payments covering salary and PAYE were found to be in order with tax being appropriately calculated and NI deductions and employer contributions correctly applied.</p> <p>Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.</p> <p><i>Comment: gross pay has been calculated in accordance with the approved spinal column point and in accordance with contracted hours.</i></p>
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁶</i>	Yes	Council is aware of its pension responsibilities, and two members of staff are enrolled into the pension scheme provided by the employer. The minutes of 30 th September 2025, confirm approval of the recommendation to offer a

⁶ The Pension Regulator – [website click here](#)

		Nest pension with an employer contribution of 3% to two members of staff should they wish to join a pension scheme at a future date (Minute ref #6f Page 3241).
<i>Have pension re-declaration duties been carried out</i>	Yes	Council's re-declaration of compliance with regards to re-enrolment was confirmed as having been submitted by the Clerk who in turn had confirmed that all members of staff had been reassessed for pension auto-enrolment, and that the council was currently compliant with all staff members meeting the threshold and eligibility criteria for auto enrolment having been enrolled in a qualifying pension scheme. The re-declaration of compliance was completed on 11 th March 2026 as reported to the Finance and Governance Committee at its meeting of 30 th March 2026.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	<p>There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.</p> <p>There are however incidents where purchases are being incurred on personal credit cards on behalf of the Town Council. Council should be aware that the regular use of personal cards can blur the lines between personal and business expenses and potentially lead to a lack of oversight of policies and the management of budgets. Council should ensure that it seeks to eliminate the hassle of collecting receipts and processing reimbursement claims by looking at alternative means of monitoring and ensuring compliance with the council's adopted policies.</p> <p>Recommendation: given that these incidences cover purchases that are of benefit to the council, Council should consider exploring the use of prepaid debit cards for staff members. The benefits of such a system would ensure that employees can only spend the amount loaded onto their cards, preventing overspending and misuse. Providers offering this type of card are Soldo and Equals.</p> <p>Should Council consider the use of pre-paid debit cards, then its control policy should reference council's own Financial Regulations 9.2 & 9.3 and ensure that there are procedures in place for the handling of such transactions including the requirement to submit receipts for all expenditure incurred.</p>

Additional comments: council is aware of its own Standing Order 11(a) and has ensured that only persons with line management responsibilities have access to staff records referred to in Standing Order 19(f). The Town Clerk has ensured that the written records relation to employees, including paper records (and payments relating thereto) are kept secure and locked.

Section 9 – Year End procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on an income and expenditure basis. The financial accounting package has allowed the council to accurately track transactions that straddle two accounting periods. The year-end adjustment files were reviewed to ensure that year-end adjustments accurately reflected the instances where the council has received the economic benefits or given others economic benefits in the current year and future year.
<i>Financial trail from records to presented accounts</i>	Yes	<p>The Internal Auditor confirms that having reviewed the year-end files, there is a full underlying financial trail from financial records to the accounts produced. It is confirmed that the RFO has ensured that the Council’s accounting software contains and records details on its assets and liabilities including the asset and investment register and other debts. The accuracy of the year-end bank reconciliation detail is verified along with the correct disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.</p> <p>Year-end balances agree with cash book and bank reconciliations:</p> <ul style="list-style-type: none"> Debtors: £18,901.38 Prepayments £39,776.81 Bank Accounts: £1,315,846.47 Creditors: £41,266.86 VAT Account: £2,132.26 Accruals (Liability): £92,234.41 Represented by: Total Reserves: £1,238,891.13

<p><i>Has the appropriate end of year AGAR⁷ documents been completed?</i></p>	<p>Yes</p>	<p>As Council is a smaller authority with gross income and/or expenditure exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. The Accounting Statements were submitted in draft form for the internal audit review on the AGAR Form 3.</p>
<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>N/A</p>	<p>As the council had gross income and expenditure exceeding £25,000 during 2024-2025 it could not declare itself exempt from a limited assurance review for the year ending 31st March 2025.</p>
<p><i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i></p>	<p>Yes</p>	<p>The internal auditor is able to confirm that the period for the public rights exercise was set to cover the period 26th June to 6th August 2025. It is confirmed that the notice of the public rights for the year ending 31st March 2025, dated 25th June 2025, was found on the council operated website and reflects the dates so noted. The minutes of the meeting of 24th June 2025 further reflect the dates that were confirmed by Council (Minute ref #8diii Page 3214) <i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the way the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?⁸</i></p>	<p>Yes</p>	<p>The Internal Auditor is able to confirm that the Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000, but not exceeding £6.5 million, as it published the following on its website: Annual Internal Audit Section 1 - Annual Governance Statement Section 2 - Accounting Statements Section 3 - The External Auditor Report and Certificate</p>

⁷ Annual Governance & Accountability Return (AGAR)

⁸ Accounts and Audit Regulations 2015

		Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015.
Additional comments:		

Section 10 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the council at its meeting of 24 th June 2025 (Minute ref #8c Page 3214). The register shows no material amendments and provided an assessment of the risks and management thereof in relation to Property (rent; liabilities under legislation and risks to and use of play equipment); Finances (security of monies; security of cash; security of petty cash; risk of litigation and project financial exposure and grant funding conditions) and Personnel (injury; loss due to employee error; risk to members; risk of abuse and / or harassment). <i>Comment: as part of its overall management of online banking authorisation, council might wish to expand the control test to include regular reviews of the bank mandates thereby ensuring that the mandate is still necessary and that the authorized individuals have not changed. This helps prevent unauthorized access to the bank account and ensures that all necessary documentation is up-to-date and that the mandate is in line with current regulations.</i>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets, and particularly its money. There is evidence that overall, the council has taken action to identify and assess those risks and

		<p>has considered what actions or decisions it needs to take during the year to manage to avoid financial or reputational consequences.</p> <p><i>Comment: council has in place monitoring documents which identify the risks involved with and the potential for improvements to its arrangements to protect public money. It provides the opportunity for reviews of operational as well as financial and governance reviews by members to ensure that it has mitigation measures in place to address the risks associated with the council's day to day operations.</i></p>
<p><i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i></p>	<p>Yes</p>	<p>At year-end (and as confirmed at the meeting of the Finance and Governance Committee in February 2026), Council has insurance in place under a Commercial Combined Insurance policy with Aviva Insurance which shows core cover for the following: Public liability:£10million; Products Liability:£10million; Employers Liability: £10million; Commercial Crime (Internal) £2million; Business Interruption (on five premises) £100thousand and Management Liability of £250thousand; Management liability (based on turnover) which has a limit of £250,000 for any one claim and Fidelity Guarantee of £2million.</p> <p><i>Comment: it is confirmed that council followed guidance which recommends that the Fidelity Cover is sufficient to provide cover that was equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May thereby reducing the council's exposure to the risks associated with the handling of money, securities and property.</i></p> <p>Insurance cover is also in place for fourteen premises as identified within the schedule with cover for one being the operational assets including EV charging units located within the confines of Southwold. Business interruption is identified for all identified premises.</p> <p>During the year, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, annual reviews of the council's insurance were undertaken prior to renewal by the Finance and Governance Committee. At renewal, Council entered into a new 3-year stability agreement. From paperwork seen, council is able to demonstrate that it has reviewed the risks facing the council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability</p>

		(amongst other things), and has satisfied itself that there are no materials facts which might influence the acceptance or assessment of the risks covered by the policy prior to approving the insurance arrangements for 2026-2027.
<i>Evidence that internal controls are documented and regularly reviewed⁹</i>	Yes	<p>Confirming that the council is operating within its own internal control, formal evidence was given at the meeting of the Town Council on 24th June 2025 that council had formally reviewed the effectiveness of its internal controls as outlined in its Statement of Internal Control for the year ending 31st March 2025 (Minute ref #8iii Page 3213). The statement confirms that the Town Council reviews its system of internal control on an annual basis and a report on the findings of that review is considered by the full Council along with the Council's statement of internal control and formally recorded.</p> <p>A series of control tests, undertaken on an agreed basis by the Finance and Governance Committee, will feed into the overall assessment of the effectiveness of the council's system of internal control.</p> <p><i>Comment: Council is aware that a strong internal control system enhances the accuracy of financial reporting and ensures that the council has in place checks and balances which reduces the risk of fraud and ensures that there is overall compliance with laws and regulations.</i></p>
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment¹⁰</i>	Yes	<p>The council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting of 24th June 2025, confirming that the current arrangements were effective (Minute ref #8iv Page 3213). The Town Council, in determining its arrangements to meet the statutory requirement for internal audit, and with regard to its overall internal audit arrangements, confirmed that those carrying out the internal audit role for the council did not have any involvement in, or responsibility for, the financial decision making, management or control of the authority, or for the authority's financial controls and procedures (Minute ref #8iv Page 3213).</p> <p><i>Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, the Town Council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that</i></p>

⁹ Accounts and Audit Regulations

¹⁰ Practitioners Guide

		<i>the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</i>
Additional comments:		

Section 11 – Asset control		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?¹¹</i>	Yes	The Asset Register is held on a computerised system and covers those items listed under insurance and within the parish council’s remit for maintenance and ownership. Council’s asset policy defines fixed assets as items of machinery and equipment which have a useful life of more than one year. The Asset Register currently stands at £9,739,242 and shows overall movement to that declared at the year-end of 31 st March 2025 (£9,730,605) considering acquisitions and disposals during the year under review. The Internal Auditor reviewed the Asset Register to allow the spot check to be conducted.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2025 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied. The RFO has ensured that the formal asset register is routinely

¹¹ Practitioners Guide

		<p>updated to record new assets at cost price, net of VAT along with removal of any assets disposed of / no longer serviceable. Where assets have been gifted or where there is no known value, assets have been given the proxy value of £1. This value has also been applied to community assets, which, in accordance with guidance, are treated in the same manner as gifted assets. There are appropriate measures in place to allow for the tracking of additions and disposals from the previous year to the current year. Council's officers have ensured that a full schedule of building maintenance is budgeted for and checked monthly to ensure inspections have been completed.</p> <p><i>Comment: from records of reserves seen, the Council appears to have considered adequately funded the maintenance and replacement including the provision for longer-term vehicle replacement.</i></p> <p>Council is aware that once recorded on the Asset Register, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not appropriate for local councils.</p> <p><i>Comment: This current valuation for assets commonly known as community assets is in line with requirements for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value is recorded, which acts as a proxy value to the original cost and will remain unchanged until disposal.</i></p>
<p><i>Are records of deeds, articles, land registry title number available?</i></p>	<p>N/A</p>	<p>Records of deeds, articles, land registry title number were not reviewed during the internal audit.</p>
<p><i>Are copies of licences or leases available for assets sited at third party property?</i></p>	<p>Yes</p>	<p>Council has one lease for assets sited on third party land in respect of the seafront shelter off the Promenade in Southwold.</p>
<p><i>Is the asset register up to date and reviewed annually?</i></p>	<p>Yes</p>	<p>The asset register is still to be formally presented for approval to the Town Council but it is confirmed that the values seen on the Asset Register – £9,739,242 (rounded) - match those on the Draft Accounting Statements. The register held provides clear identification for each asset in terms of purchase cost (or proxy if unknown); purchase date (where known); location (including); insurance value/replacement value and asset register valuation.</p> <p><i>Comment: council is aware that when it is not possible to trace the purchase price of the asset the insurance valuation should be applied. As a last resort,</i></p>

		<i>a nominal value of £1 may be applied. This has been used for assets gifted to the Council.</i>
<i>Cross checking of insurance cover</i>	Yes	The Asset Register was reviewed during the Internal Audit Visit and a high-level assessment check of assets against the insurance schedule was undertaken to ensure that all assets are recorded appropriately and under insurance. Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule including furniture, fixtures and fittings at the premises listed on the insurance schedule. All assets were found to be appropriately insured or where appropriate, self-insured, by the Council. Council has in place procedures to ensure that the council's brokers are informed of any new asset acquisition to ensure appropriate insurance is in place.
<i>Additional comments:</i>		

Section 12 – Assertion 10		
The internal auditor will be checking that the council complies to the new assertion 10 introduced in the Practitioners' Guide 2025.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹²</i>	Yes	As a Data Controller, all local authorities are required to register with the Information Commissioner's Office (ICO) in accordance with Data Protection Legislation. It is noted that the council's registration is due to expire in June 2026. Registration Certificate: Ref ZA247360 with an expiry date of 1 st May 2026 refers. <i>Comment: the Certificate has since been renewed in the year 2026-2027.</i>
<i>Is there an adopted council publication scheme and is it reviewed regularly?</i>	Yes	The Freedom of Information Act 2000 requires every public authority to have a publication scheme, approved by the ICO, and to publish information covered by this scheme. Council's publication scheme was viewed on the website and is held in accordance with the defined guidelines.

¹² Data Protection Act 2018

<p><i>Is the Council compliant with the General Data Protection Regulation requirements?¹³</i></p> <p><i>Councils must:</i></p> <ul style="list-style-type: none"> • <i>Comply with their legal & statutory obligations under UK GDPR & The Data Protection Act 2018</i> • <i>Process personal data lawfully, fairly and in line with the prescribed data protection principles</i> • <i>Recognise their role as both data controller and data processor</i> 	<p>Yes</p>	<p>Council has continued with ensuring compliancy with the General Data Protection Regulations (GDPR) and within its suite of policies, provides clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. Appropriate Data Protection and Information Management policies and procedures are in place along with the lawful basis for the processing of data covered by the regulations as well as policies that deal with the effective management of its records thereby demonstrating that the Council has acted in compliance with its legal and regulatory obligations. The Council’s Data Protection and Information Management Policy (as reviewed in March 2026) details the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party and the periods for the retention of such data. Contained within the suite of documents adopted by the Council are also procedures for data breaches and subject access requests. The meeting of 27th May 2025 confirms that Council and Councillors are aware of their responsibilities and obligations in relation to the manner in which personal data should be collected, used and protected (Minute ref #12 Page 3205).</p> <p><i>Comment: in accordance with best practice, council has ensured that all policies relating to record management also include a review of council documentation on an annual basis. Council is aware that regular policy reviews are essential to ensure that each policy remains effective, compliant and responsive to changing circumstances.</i></p> <p>At the meeting of 31st March 2026, Council adopted an Information Technology Policy to ensure that the Town Council met the mandatory Assertion 10 requirements of the 2025-2026 Annual Governance Statement (Minute #8c Page 3809).</p> <p>To ensure compliance with data protection regulations, the Practitioners’ Guide 2025 states that councils must conduct regular data audits to identify</p>
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¹³ UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

		<p>what personal data is held, how it is held and make sure it is lawfully processed. Personal data must therefore be processed with care and in line with the principle of data protection.</p> <p><i>Comment: to ensure compliance with the data protection regulations, council should conduct regular data audits to identify the personal information held by the council, the manner in which it is held and the lawful basis in which the information is being processed.</i></p> <p>It might be of assistance in ensuring the information listed above is held in a Data Register which would help the Council identify the categories of personal data held, the format in which it is stored, and the legal justification for its processing under the UK GDPR and whether a DPIA would need to be completed for any new Council project, software procurement, or significant change in data processing. This would assist the Council in overall compliance with the principle of "Privacy by Design".</p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>Yes</p>	<p>The Local Government Transparency Code 2015 applies to local authorities, including parish (and town) councils with annual income or expenditure (whichever is the higher) over £200,000.</p> <p><i>Comment: Council has reviewed its provisions and has published a number of data sets on its website in accordance with the required timescales.</i></p> <p>For Southwold Town Council, the transparency code requirements will include the publication of quarterly reporting of spending transactions valued over £500 (note salary details are exempt); quarterly reporting of invitation to tender for contracts over £5,000; quarterly publication of details of every transaction on a government procurement card; the annual reporting of organisational charts; annual reporting of all grants made to voluntary, community and social enterprise organisations and the annual reporting of the location of public land and assets.</p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁴</i></p>	<p>Yes</p>	<p>The Council has published a website accessibility statement on the council operated website (https://southwoldtown.com/accessibility-statement/) detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility</p>

¹⁴ Website Accessibility Regulations 2018

		<p>and how the site is being improved to ensure that content meets the Web Content Accessibility Guidelines. The statement seen above references the standards of the Web Content Accessibility Guidelines (WCAG 2.2 Level AA).</p> <p><i>Comment: Southwold Town Council has produced a statement which details why the website is partially compliant with the Web Content Accessibility Guidelines version 2.2 AA standard giving reasons for the non-accessible content.</i></p>
<p><i>Has website accessibility been tested, at least annually?</i></p>	<p>Yes</p>	<p>The council's Website Accessibility Statement states that the website was last tested on 6th June 2026 and that the review t was carried out by Topcat Media. The most viewed pages were tested using automated testing tools by our website team. A further audit of the website was carried out to the WCAG 2.2 AA standard. The statement was adopted in June 2026 and will be reviewed in July 2027.prepared on 18th March 2026.</p>
<p><i>Does the council have, as a minimum, a single generic email address on an authority owned domain, for correspondence?¹⁵ For example clerk@abccouncil.gov.uk or clerk@abccouncil.org.uk</i></p>	<p>Yes</p>	<p>Council currently operates with the website https://southwoldtown.com/ with the authority owned domain name supporting a secure and digitally managed email system for staff and councillors.</p>
<p><i>Does the council have an IT policy that is tailored to the council?¹⁶</i></p>	<p>Yes</p>	<p>Council has adopted an Information Technology Policy for use of IT equipment for authority business for both Staff and Councillors which explains how all involved with the authority - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This policy relates to the use of authority-owned and personal equipment as well as any personal devices used to access Council data (Bring Your Own Device - BYOD). It covers email, internet, voice, mobile devices, and cloud-based systems. Clarity is given that the policy does not sit in isolation and should be read alongside policies that are compliant with UK Data Protection law, the UK GDPR, and the JPAG Practitioners' Guide 2025.</p> <p><i>Comment: the minutes of the Finance and Governance Committee of 18th March 2026 confirms that the adopted ICT policy has been updated to</i></p>

¹⁵ Practitioners Guide

¹⁶ Practitioners Guide

		<i>reflect requirements for multi-factor authentication and personal device usage (Minute ref #460 2025-26).</i>
Additional comments:		

Section 13 – Internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Annual Internal Audit Report, for the year ending 31 st March 2025, was formally received and noted by Full Council at its meeting of 24 th June 2025 ((Minute #8b Page 3213).
<i>Has appropriate action been taken regarding the recommendations raised?</i>	N/A	There were no matters raised within the report that required an action plan to address areas of improvement or development. The minutes of 24 th June 2025 provide clarity on the manner in which the advisory notes, raised within the report, would be dealt. The minutes of the Finance and Governance Committee of 26 th June 2025 provide confirmation that the Clerk provided the committee with areas for further consideration along with timelines and those responsible for the delivery / signing off of each action.
<i>Has the Council confirmed the appointment of an internal auditor?¹⁷</i> <i>Has the letter of engagement been approved by full council?¹⁸</i>	Yes	The minutes of 24 th June 2025 evidence the appointment of SALC to continue as the Town Council’s internal auditor for the year 2025 – 2026, undertaking a year-end audit on the basis of Section 4 of the “Accountability and Governance Practitioner’s Guide 2025 (for the year 2025-2026) (Minute ref. #8v Page 3213). <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i>

¹⁷ Practitioners’ Guide

¹⁸ Practitioners’ Guide

		<p>The letter of engagement was approved at the meeting of 31st March 2026 (Minute ref #8c Page 3309) It is also confirmed that the minutes of the meeting of full Council on 24th June 2025 gave delegated authority to the Finance and Governance Committee to review and sign off the SALC Letter of Engagement for internal audit for the year 2025 – 2026 (Minute ref #8bvi Page 3213).</p> <p><i>Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.</i></p>
Additional comments:		
<p>Section 14 – External audit for the period under review The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.</p>		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?</i> ¹⁹	Yes	The External Audit Report and Certificate for the year ending 31 st March 2025 was presented to and accepted by full Council at its meeting of 30 th September 2025 (Minute ref #10c Page 3243).
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	There were no matters raised and the report details a certification which was completed with no exceptions.
<p>The Internal Auditor can verify that the external auditor report and certificate along with the conclusion of the external audit have been published on the Council’s website in accordance with the prescribed timescales. Details as to how copies may be purchased have also been included. <i>Comment: Council has noted Regulation 16 and 20 (in part) which states that the annual audit letter received from the auditor must be considered by the authority and published (including publication on the authority’s website) and to permit copies to be purchased.</i></p>		

¹⁹ Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

Section 15 – Additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ²⁰	Yes	<p>Council held its Annual Meeting of the Town Council at which the Chair was elected on 6th May 2025 in accordance with legislation in place at that time (Minute ref #1 Page 3194).</p> <p>At the meeting of 30th September 2025, following the resignation of the Town Mayor, the first item on the agenda was the election of Chair/Town Mayor for the remainder of the term or 2025-2026.</p> <p><i>Comment: in accordance with section 88(1) of the 1972 Act, council has sought to fill the position of chair without significant delay, specifically, not later than the next ordinary meeting, thereby maintaining democratic integrity.</i></p> <p>At the meeting of 27th May 2025 Council resolved to re-adopt the Model Councillor Code of Conduct 2020 for the purposes of discharging its duty to promote and maintain high standards of conduct within its area (Minute ref #6 Page 3202)</p>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ²¹	Yes	<p>Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.</p>
<i>Is there a list of members' interests held?</i>	Yes	<p>Evidence was seen on the District Authority's website of the Register of Interests for all current town councillors.</p> <p><i>Comment: council might wish to review the link from its own website as this no longer gives access to a serviceable page on the District Council's website.</i></p>
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	<p>Council does not have any Trustee Responsibilities.</p>

²⁰ The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

²¹ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

<i>Is there evidence that electronic files are backed up?</i>	Yes	Council's day to day records are automatically back-up daily to a cloud-based secure system.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	<p>At the meeting of 27th May 2025 (Minute ref #7c Page 3203), the Town Council approved the revised Terms of Reference for the civic year 2025-2026 for its Committees, Sub Committees and Task and Finish Groups. Further revisions were approved at the Town Council meetings of 28th October and 25th November for the Finance and Governance Committee (Minute ref #10c Page 3253) and the Planning and Leisure and Environment Committees (minutes ref #8c Page 3264). The former Council meeting also approved the setting up of a Personnel Committee with dedicated Terms of Reference (Minute ref #5e Page 3252).</p> <p><i>Comment: council is aware that the regular review of its Terms of Reference for Standing Committees ensures that there are clarity and accountability within the operational efficiency of that committee.</i></p> <p>All reports whether from committees, Task and Finish or advisory groups are received by the Town Council for formal consideration of the matters raised within the reports.</p>
<i>Additional comments:</i>		
<p><i>The Internal Auditor offers her appreciation for the assistance given by the Town Clerk and her staff in completing this audit. The year-end files were extremely well presented for review and council's staff are to be commended.</i></p> <p><i>Council is to be commended as it continues to be able to demonstrate effective governance arrangements and can show evidence of strong governance and good financial practice.</i></p> <p><i>The examination of the year-end accounts and supporting documentation has further confirmed that the Responsible Financial Officer has satisfactorily undertaken the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.</i></p> <p><i>Recommendations made and/or commentary provided are to enhance the systems in place as opposed to detract from the positive assurance that can be given as to the way the Council's finances are managed.</i></p>		

Signed: Victoria Waples

SALC Internal Audit Report template (v.11)
Last reviewed: 25th March 2026

Date of Internal Audit Visit: 16.06.2026

Date of Internal Audit Report: 17.06.2026

On behalf of Suffolk Association of Local Councils