Report to Palgrave Parish Council

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

1. Introduction and Summary

1.1 The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains effective governance arrangements and an efficient 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 in the year and produced financial and management information to enable the Council to make well-informed decisions. The Council has adopted and maintains a wide range of formal Policies and Procedures which can act as a basis for strong financial management and control.

1.3 The Accounts for the year confirm the following:

Total Receipts for the year: £35,697.93
Total Payments in the year: £39,369.46
Total Reserves at year-end: £46,681.39 (of which £19,322.23 are Restricted CIL Funds /Earmarked Reserves)

1.4 The Annual Governance and Accountability Return (AGAR) to the External Auditors was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 - Accounting Statements 2025/26 (rounded for purposes of the Return**):**

Balances at beginning of year (1 April 2025):	*Box 1: £50,352*
Annual Precept 2025/26:	*Box 2: £23,525*
Total Other Receipts:	*Box 3: £12,173*
Staff Costs:	*Box 4: £12,396*
Loan interest/capital repayments:	*Box 5: nil*
All Other payments:	*Box 6: £26,973*
Balances carried forward (31 March 2026):	*Box 7: £46.681*
Total cash/short-term investments:	*Box 8: £46,681*
Total fixed assets:	*Box 9: £45,313*
Total borrowings:	*Box 10: nil*

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

1.6 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the Audit Plan. Comments and any recommendations arising from the review are made below.

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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 8 May 2025. The first item of formal Parish Council business was the Election of a Chair, as required by the Local Government Act 1972. The meeting also nominated a Vice-Chair, Councillors to act as representatives of the Council and membership of the Staffing and Cemetery Committees. Mrs Caroline Emeny was also re-affirmed as the Council's RFO at the meeting and bank signatories and internet banking authorisations confirmed and the Schedule of Annual Regular Payments approved.

2.2 The Powers Specifically Delegated to the Clerk/RFO were reviewed and approved by the Council at its meeting on 13 November 2025. A copy of the document listing the Powers has been published on the Council's website.

2.3 Standing Orders are in place were reviewed and approved by the Council on 12 February 2026. The Standing Orders reflect the latest model documents and guidance published by the National Association of Local Councils (NALC). A copy of the Standing Orders has been published on the Council's website.

2.4 Financial Regulations are also in place and were reviewed and approved by the Council at its meeting on 12 February 2026. The Regulations reflect the latest Model Financial Regulations published by NALC. A copy of the Regulations has been published on the Council's website.

2.5 The Council demonstrated effective community engagement in obtaining ideas and guidance from the local community relating to the development of the Parish Infrastructure Investment Plan (PIIP) and receives regular updates from the Clerk/RFO on specific projects. The PIIP was reviewed and approved by the Council at its meeting on 13 March 2025. A copy of the PIIP has been published on the Council's website with a notation that it is due for review again in May 2026.

2.6 The Council participates in the Diss and District Neighbourhood Plan (DDNP). Reports and updates are presented to meetings of the Council.

2.7 The Minutes of the Council meetings are well presented and provide clear evidence of the decisions taken by the Council in the year. The Minutes are signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved.

2.8 The Council demonstrated good governance during the year by maintaining a standing agenda item for Statutory Business and General Governance issues. As part of the overall arrangements, an IT Policy was adopted by the Council on 10 July 2025 and the Tree Risk Management Strategy Policy on 11 September 2025.

2.9 Similarly, the Health and Safety Policy was updated and approved by the Council at the meeting on 13 November 2025 and the Anti-Harassment and Bullying Policy on 12 March 2026.

2.10 The Terms of Reference for the Cemetery Committee were reviewed and adopted on 13 July 2023 and those for the Staffing (Personnel) Committee were reviewed and approved on 15 June 2023.

2.11 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller under Data Protection legislation (Registration ZA189657 refers, expiring 20 June 2026). The Council maintains and reviews a number of formal policies to assist compliance with the General Data Protection Regulations (GDPR) and Freedom of Information (FoI) legislation

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These include a Data Protection Policy and Document and Electronic Data Retention Policy (both reviewed and approved on 13 March 2025), a General Privacy Notice and Consent Form (reviewed and approved on 13 June 2024), the FoI Model Publication Scheme (reviewed and proved on 13 November 2025) and a Freedom of Information Request Form, all of which are published on the Council's website.

2.12 The Council adopted the Local Government Association (LGA) Councillor Code of Conduct at its meeting on 8 September 2022. The Code details the requirements and responsibilities placed upon each individual Councillor. At each meeting of the Council Councillors are reminded of their obligations under the Code of Conduct.

2.13 The Council demonstrates good practice through the adoption and regular, programmed review of its Policies, Procedures and Protocols. The Council has in place the following documents, all of which have been published on the Council's website:

Public Participation in Council Meetings Protocol (last reviewed on 10 October 2024)
Filming, Videoing, Photography & Audio Recording at Council or Committee Meetings Protocol (reviewed and approved on 14 November 2024)
Complaints Procedure (reviewed and approved on 13 March 2025)
Dispensation Policy (reviewed and approved on10 October 2024)
Disciplinary Procedure (reviewed and approved on 13 June 2024)
Grant Awarding Policy (reviewed and approved on 13 March 2025)
Internet Banking Statement. (reviewed and approved on 13 March 2025)
Lone Worker Policy (reviewed and approved on 14 November 2024)
Subject Access Request Policy (reviewed and approved on 13 June 2024)
General Privacy Notice (reviewed and approved on 13 June 2024)
Privacy Statement (reviewed and approved on 13 June 2024)
Consent Form (reviewed and approved on 13 June 2024)
Anti-Harassment and Bullying Policy (reviewed and approved on 13 March 2025).

2.14 In addition, the Internet Banking Policy and the General Reserves Policy were reviewed and approved by the Council on 12 February 2026.

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

a) Use a council-owned domain (The Council has registered under an official .gov.uk domain name of palgrave-pc.gov.uk).

b) Operate at least one generic email account on the council owned domain (The Clerk/RFO maintains such an email account).

c) Ensure the website is accessible to Web Content Accessibility Guidelines (WCAG) 2.2 AA standards (The Council arranges for regular testing by the website host).

d) Adopt a formal IT Policy covering data protection and device usage (The Council has an IT Policy in place, the Council having approved the Policy at the meeting on 10 July 2025).

e) Comply with the UK General Data Protection Regulations (UK GDPR) and the Data Protection Act 2018 and process personal data lawfully, fairly, and in line with UK GDPR principles (this requirement is being met).

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2.16 The Council has published a Website Accessibility Statement which details what has been done to ensure that as many people as possible are able to use the website, any areas of the website that may not be fully accessible, or where there would be a disproportionate burden to secure full accessibility, with contact details to report accessibility problems.

3. Accounting Procedures and Proper Book-keeping ***(examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting).***

3.1 The Cashbook Spreadsheet is well referenced and facilitates an audit trail to the Bank Statements, the online payments documentation and financial information prepared by the Clerk/RFO. The supporting vouchers, invoices and receipts were examined on a sample basis and found to be in order.

3.2 Payments made under the Local Government Act 1972 Section 137 are approved by the Council and tracked and identified in the Cashbook and within the End-of-Year Accounts. It should be noted that donations to advisory organisations (such as the Citizens Advice Bureau), can be made under Section 142 (2A) of the Act and there is no requirement to resort to Section 137.

3.3 The legislative basis on which payments are made are displayed in the Cash Book Spreadsheet alongside each payment.

3.4 VAT payments are separately identified in the Cashbook Spreadsheet and VAT paid is reclaimed from HMRC:

a) A reclaim of £2,165.79 for VAT paid in the period 1 January 2025 to 30 June 2025 was submitted to HMRC on 13 August 2025, received at bank on 18 August 2025 and reported to Council on 11 September 2025.
b) Similarly, a reclaim of £1,126.43 for the VAT paid in the period 1 July 2025 to 31 January 2026 was submitted to HMRC on 4 March 2026 and received at bank on 9 March 2026 and reported to Council on 12 March 2026.

3.5 The in-house Accounts to 31 March 2026 were presented to the Council on 9 April 2026 together with Actuals vs Budget final figures. The accounting statement to 31 March 2026 was approved by the Council and signed by the Chair.

3.6 The Clerk/RFO has constructed a Community Infrastructure Levy (CIL) Annual Report for the year 2025/26. The Report displays the CIL balance carried forward from the previous year at £23,932.47, with £0 received by the Council in the year of account and CIL spent (expenditure) of £8,847.45 in the year, giving a balance of £15,085.02 retained as at 31 March 2026 (held as a Restricted Reserve in the Accounts). The Report was approved by the Council on 9 April 2026 and signed by the Chair. A copy of the Report has been published on the Council's website.

3.7 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 submission to the External Auditors and for publication on the Council's website.

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

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4.1 The Clerk/RFO routinely presents financial reports to the Council which include bank balances held and bank reconciliations for the period just ended; these are approved and signed at the meeting in accordance with the Council's Financial Regulations. The approval is evidenced in the Council's Minutes.

4.2 The Unity Trust Bank Statements for the Current Account (£3,511.80) and the Unity Trust Savings Account (£43,169.59) both as at 31 March 2026, reconciled with the End-of-Year Accounts and agreed with the overall Bank Reconciliation.

5. Year End procedures ***(Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).***

5.1 End-of-Year accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

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

6.1 At the meeting on 11 September 2025 the Council approved the Tree Risk assessment (Minute 09.11.09c refers) and nominated a Councillor to undertake the be-annual Councillor Internal Audit. The Council approved the Councillor Internal Audit on 9 October 2025.

6.2 At the meeting on 9 April 2026 the bi-annual internal control audit was carried out by Councillor Coulson and the Internal Control Statement for the year ending 31 March 2026 was approved and signed by the Chair and the Clerk.

6.3 At the meeting on 12 March 2026 the Council considered and approved the Risk Assessment documents (financial and assets) (Minute 03.12.09 a refers). The documents provide a comprehensive analysis of the risks identified, the risk level (H, M or L) and the internal control measures in place to mitigate the risks involved.

6.4 The Council accordingly complied with the Account and Audit Regulations 2015 which require a review, at least once during each year of account, by the Full Council of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

6.5 Insurance was in place for the year of account. At the meeting on 12 June 2025 the Council approved Zurich Insurance as the Insurance provider for the forthcoming year with effect from 2 July 2025. The payment of £459.00 to Zurich Insurance in respect of the annual insurance premium was agreed by the Council at its meeting on 12 June 2025. The policy runs from 2 July 2025 to 1 July 2026. Employer's Liability cover is £10m and Public Liability cover stands at £12m. Employee Dishonesty (Fidelity Guarantee) cover stands at £250,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

6.6 The Clerk/RFO confirmed that Risk Assessments are in place for the trees on The Green and the pond

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

Precept 2025/26: £23,525 (6 February 2025, Minute 02.06.10e refers).

Precept 2026/27: £24,080 (8 January 2026, Minute 01.08.11e refers).

7.1 Budget proposals for 2025/26 were reviewed in up-to-date financial documents issued to Councillors prior to the Council meeting on 6 February 2025, when the precept for 2025/26 was approved at £23,525.

7.2 A draft budget for the year 2026/27 was presented by the Clerk/RFO for discussion at the Council's meeting on 11 December 2025 and for final approval in January 2026. At the meeting on 8 January 2026 the 2026/27 Budget and Precept were discussed in detail. The Council approved a Precept of £24,080.00, an increase of 3.2%. This would show as an increase in Council Tax in a Band D property from £57.93 to £59.78 for parish council services.

7.3 The precepts were agreed in Full Council and the precept decision and amount have been clearly Minuted. The Clerk/RFO ensures that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Budget papers are prepared to ensure Councillors have sufficient information to make informed budgetary and precept decisions.

7.4 Good budgetary procedures are in place. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates which were used effectively for financial control and budgetary control purposes. The Clerk/RFO presented detailed reports to the Council during the year comparing expenditure with budgeted amounts, including the first 6-months's Report to the meeting on 9 October 2025.

7.5 The Earmarked Reserves and General Reserves were reported to the Council at the meeting on 9 April 2026 as part of the in-house Accounting Statement 2025/26. The Council's Reserves Policy in place states that *'the Council must keep a minimum balance sufficient to pay one month's worth of contractual obligations to staff and contractors in general reserves at all times'* and that the Council should also be aware of the guidance given in Proper Practices is that *'The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure/Precept'.*

7.6 As at the year-end, 31 March 2026, the Overall Reserves available to the Council were £46,681.39 represented by the following:

Community Infrastructure Levy (CIL) Balance:	£15,085.02
Held on behalf of the Voluntary Emergency Telephone Service (VETS):	£100.00
Pride in Your Place Grant:	£4,137.21
General Reserves:	£27,359.16

7.7 The General Reserves (Overall Reserves less Earmarked/Restricted Reserves) of £27,359.16 are in line with of 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).

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

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

8.1 Receipts are reported to the Council by the Clerk/RFO and recorded in the Minutes of Council meetings. The Receipts totalling £35,697.93 recorded in the Cashbook Spreadsheet consisted of Precept (£23,525), Cemetery (£2,775), VAT Refund from HMRC (£3,292.22), District Council Grants (£4,878), Bank Interest (£1,000.91) and Miscellaneous Income (£226.80).

8.2 The items recorded in the Cashbook Spreadsheet were cross referenced with the bank statements on a sample basis and were found to be in order.

8.3 At the meeting on 12 March 2026 the Council approved the Cemetery Regulations and Notice of Internment documents which had been recommended by the Cemetery Committee. A copy of the Palgrave Cemetery, Millway lane Cemetery Regulations, Fees and Charges (as revised at March 2026) has been published on the Council's website).

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

9.1 No Petty Cash is held; an expenses system was in place during the year with online payments made in the year for expenses incurred.

9.2 At its meeting on 8 February 2024 the Council agreed to open a Unity Trust Multipay card for the Clerk/RFO to make ad hoc payments when required. The Council agreed a limit of £500.

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

10.1 Payroll Services are operated in-house. The Council is registered with HMRC and regular PAYE payments have been made. A P60 End-of-Year Certificate for the Clerk/RFO was made available to Internal Audit.

10.2 The Council demonstrates good practice as an employer by maintaining a wide range of staffing Policies and Procedures, all of which have been published on the Council's website.

10.3 A Contract of Employment and Job Description are in place for the Clerk/RFO. The Staffing Committee met on 14 November 2024 and reviewed the Clerk/RFO's employment and appraisal in line with the Contract of Employment and Job Description. Following a review of the salary and expense allowance in place the Committee agreed and approved an increment of 1 SCP point to SCP 28 from 1 April 2025. There was no change in the working from home allowance of £6 per week.

10.4 With regard to the legislation in respect of workplace pensions, the Clerk/RFO confirmed that a re-declaration of compliance to the Pensions Regulator was made on 8 October 2024. (The re-declaration confirms to The Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years)

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

11.1 The Register of Land and Property Assets was reviewed and agreed by the Council at its meeting on 12 March 2026. The Register displays a total value of £45,313 as at 31 March 2026, a net reduction of £887 over the value of £46,200 at the end of the previous year (31 March 2025), reflecting the removal of a speed gun and the addition of metal tree guards.

11.2 The Register complies with the current requirements which provide that each asset should be recorded at a consistent valuation, year-on-year. The Register displays assets at original purchase cost or, where the original purchase price is unknown, a proxy value for the original cost that will remain unchanged until disposal. The value has been correctly placed in Box 9 of the AGAR 2025/26.

12. Internal Financial Controls, Payments Controls and Audit Procedures *(Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).*

12.1 The Council had satisfactory internal financial controls in place during the year of account. Councillors are provided with information to enable them to make informed decisions. The Clerk/RFO provides comprehensive financial reports to Council meetings. The Monthly Schedule of Payments is approved by Council and signed by two nominated Councillors. The financial statements routinely presented by the Clerk/RFO to the Council display the up-to-date financial position with bank reconciliations which are approved by Council and signed by the nominated Councillor.

12.2 Electronic payments are in place; the Clerk/RFO confirmed that:

(a) under the Unity Trust Bank arrangements, the Clerk/RFO initiates the payment and 1 out of the 3 authorised Councillor signatories log in and approve the payment.

(b) the bank statement is checked each month against the accounts spreadsheet and balances to confirm the correctness of the payment.

(c) Financial Regulations incorporate the internet banking arrangements in place and those procedures are being followed with an Internet Banking Statement (reviewed and approved by Council on 13 March 2025) in place.

12.3 Approved monthly Payments are published on the Council's website under the heading of Finance: 'Monthly Approved payments'.

12.4 Details of receipts are listed in the Council's published Minutes.

12.5 The Internal Audit report for the previous year 2024/25 was dated 2 May 2025 and was received by the Council at its meeting on 8 May 2025. No matters of concern had been raised in the report.

12.6 The Council formally appointed the Internal Auditor for the year 2025/26 at its meeting on 12 February 2026.

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

13.1 The External Audit Report and Certificate for the year 2024/25 was completed by PKF Littlejohn LLP on 22 July 2025. The Report was received and noted by the Council at its meeting on 11 September 2025. The External Auditors raised no matters of concern.

13.2 For the year 2025/26 the Council will be required to have an External Audit (a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015) by PKF Littlejohn LLP because the higher of gross income or gross expenditure exceeded £25,000 in the year of account.

14. Publication Requirements.

14.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website (by 1 July):

Notice of the period for the exercise of Public Rights
AGAR - Sections 1 and 2.

14.2 The Internal Auditor was able to confirm that a 'Notice of Public Rights and Publication of Unaudited Annual Governance and Accountability Return' document for the year 2024/25 was readily accessible on the Council's website and displayed the Date of Announcement, Details of Person to contact to view the accounts and the Details of the person making the announcement. The AGAR Sections 1 and 2 had similarly been published on the Council's website:

https://palgrave-pc.gov.uk/parish-council/finance/

14.3 Following the completion of the External Audit authorities must publish the following information on a publicly accessible website (by 30 September):

Notice of Conclusion of Audit
AGAR - Section 3

14.4 The Internal Auditor was able to confirm that the above documents were also readily accessible on the Council's webpage:

https://palgrave-pc.gov.uk/parish-council/finance/

5. Additional Comments,

15.1 I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work.

Trevor Brown

Trevor Brown

Chartered Institute of Public Finance and Accountancy,
Internal Auditor, 6 May 2026

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