Report to Ditchingham Parish Council

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

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2025/26 year the Council maintained effective governance arrangements including a robust and effective framework of internal control and risk management. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains efficient systems of financial administration and internal financial control. The Council displays many examples of good financial practice.

1.2 By examination of the 2025/26 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced financial management information to a high standard to enable the Council to make well-informed decisions.

1.3 I would like to commend the Clerk/RFO for the excellent presentation of the Council's documents for the audit.

1.4 The Accounts for the year confirm the following:

Total Receipts in the year:	*£61,702.91*
Total Payments in the year:	*£49,196.73*
Total Balances at year-end:	*£149,964.21*

1.5 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: £137,458*
Annual Precept 2025/26:	*Box 2: £47,000*
Total Other Receipts:	*Box 3: £14,703*
Staff Costs:	*Box 4: £14,604*
Principal repayments/loan interest:	*Box 5: £0*
All Other payments:	*Box 6: £34,593*
Balances carried forward (31 March 2026):	*Box 7: £149,964*
Total cash/short-term investments:	*Box 8: £149,964*
Total fixed assets:	*Box 9: £155,178*
Total borrowings:	*Box 10: £0*

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

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

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters *(examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).*

2.1 The Annual Parish Council meeting took place on 12 May 2025. The first item of formal business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The Sub and Advisory Committees' Terms of Reference were reviewed and approved by the Council at its meeting on 3 March 2025. The Council maintained the following during the year 2025/26:

Finance & Resources Committee (Decision (Sub) and Advisory)
Community Committee (Advisory)
Planning & Highways Committee (Advisory)

The Committees' Terms of Reference were reviewed and approved by the Council at its meeting on 2 March 2026.

2.3 Standing Orders are in place and were reviewed and approved by the Council at its meeting on 2 March 2026. The Standing Orders are based on the model Standing Orders published by the National Association of Local Councils (NALC).

2.4 Financial Regulations are similarly in place, having been reviewed and updated by the Council at the meeting held on 2 March 2026. The Regulations are based on the model Financial Regulations published by NALC.

2.5 The Council is no longer applying the General Power of Competence (GPoC), having lost eligibility due to the low number of Councillors elected in May 2023.

2.6 The Council demonstrates good financial and management practice by maintaining and regularly reviewing a wide range of formal written policies which are published on the Council's website. The Council's Policies and Statutory Documents are reviewed annually at the March meeting each year and can be viewed on the Council's webpage: *https://ditchingham-pc.gov.uk/category/how_we_work/policies/*

2.7 Council Policies were reviewed by the Council at its meeting on 2 March 2026 when a new IT Policy was approved.

2.8 The Council's Minutes are presented to a high standard, sequentially numbered 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. The Council demonstrates good practice by promptly

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publishing a draft copy of the Minutes and later a final version following approval by the Council.

2.9 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA061875, expiring 23 July 2026).

2.10 The Council demonstrates compliance with the General Data Protection Regulations (GDPR) by maintaining a wide range of Data Protection policies, procedures and documentation. A GDPR Policy, Privacy Notice and Data Information Audit documents and the Data Retention and Disposal Policy were considered and approved by the Council on 2 March 2026. The Council also has a Subject Access Request Policy and Procedure in place.

2.11 The Council has a Freedom of Information Policy and a Publication Scheme in place to assist compliance with Freedom of Information legislation.

2.12 The Council periodically reviews and re-adopts the Councillor's Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. The Council has adopted the Local Government Association (LGA) Code of Conduct for Councillors and a copy has been published on the Council's website. The Code was reviewed and re-adopted by the Council at the meeting on 2 March 2026.

2.13 The Council continues to demonstrate engagement with the community through an informative website and the provision of updates/information and reports from police and other services.

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

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

The Clerk/RFO has confirmed that the above requirements have been met to enable affirmation to Assertion 10 in the AGS and has completed a Data Protection Review Checklist to evidence that the Council has reviewed how it collects, processes, stores and disposes of personal data in accordance with the current data protection legislation.

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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 was found to be in good order and well presented.

3.2 The Cashbook is well referenced and facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO.

3.3 Supporting vouchers, invoices and receipts were examined on a sample basis and found to be in order.

3.4 VAT payments are tracked and identified within the Cashbook. The VAT reference numbers have been listed to assist the completion of reclaims which were regularly submitted to HMRC during the year of account, as follows:

a) The VAT re-claim of £829.85 for the period 1 February 2025 to 31 March 2025 is recorded in the Cashbook as received at bank on 1 April 2024 and reported to Council on 12 May 2025 (Finance Report refers).
b) The VAT re-claim of £853.03 for the period 1 April 2025 to 30 June 2025 is recorded in the Cashbook as received at bank on 14 July 2025 and reported to Council on 8 September 2025 (Finance Report refers).
c) The VAT re-claim of £2,385.77 for the period 1 July 2025 to 31 December 2025 is recorded in the Cashbook as received at bank on 16 January 2026 and reported to Council on 2 March 2026 (Finance Report refers).

3.5 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2026 shows an amount of £0 brought forward as at 1 April 2025, £1,069.45 CIL received and £1,069.45 CIL applied in the year 2025/26 on a Grant to Ditchingham Village Hall. Accordingly, a £0 balance was retained as at 31 March 2026. A copy of the Report has been published on the Council's website. A copy has to be submitted to the District Council no later than 31 December 2026.

3.6 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. The External Auditors normally require an explanation where the carried forward (end of year) reserves are greater than twice the income from the Precept and the Clerk/RFO can address this matter in a Statement listing Earmarked and General Reserves in place as at 31 March 2026.

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

4.1 Bank Reconciliations are regularly presented to Council and listed as an attachment to the Council's Minutes.

4.2 The Bank Statements as at 31 March 2026 for the Unity Bank Current Account (£2,219.26), the Unity Bank Savings Account (£26,922.08) and the Redwood Bank Account (£120,477.87) reconciled with the Accounts Balance of £149,964.21 as at 31 March 2026 taking into account the uncleared receipts of £345.00 recorded as Rosedale Funeral Home (£300) and Bierton and Woods re Cemetery (£45) as at 31

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March 2026.

4.3 The deposits held by the Council are protected under the Financial Services Compensation Scheme (FSCS) up to £120,000 for eligible deposits.

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

5.1 End-of-Year Accounts 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 The Council has a Risk Assessment document in place. The Risk Assessment provides an analysis of both the financial and non-financial risks faced by the Council and the internal control measures in place to mitigate the risks identified. The Risk Assessment document was reviewed and re-adopted by the Council at its meeting on 2 March 2026 (Minute 8k refers).

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

6.3 An important area of risk management within local councils concerns the adequate maintenance of play equipment. The Council receives, as a matter of routine, reports at its meetings on the condition of the play equipment and any replacements and repairs required or being undertaken. At its meeting on 12 January 2026 the Council considered the Play Area Inspection Reports and the actions required and requested the necessary quotations to be obtained.

6.4 Insurance was in place for the year of account. At its meeting on 14 July 2025 the Council approved acceptance of the quotation from CAS Parish Protect Insurance under a 3-year Long-Term Agreement at a cost of £1,003.76.

6.5 The Policy is provided by Ansvar Insurance and runs from 7 August 2025 to 6 August 2026. Employers Liability insurance cover and Public Liability insurance cover each stand at £10m. The Fidelity Guarantee (Councillor/Employee Dishonesty) insurance cover stands at £250,000 and 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 Council demonstrates good practice by appointing a Tree Warden whose duties include inspection of the safety of trees on Council owned land. The Tree Warden attended the Basic Tree Survey & Inspection course in October 2025.

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

Precept 2025/26: £47,000 (Meeting on 18 November 2024, Minute 6c and Budget Report refer).

Precept 2026/27: £47,000 (Meeting on 10 November 2025, Minute 6e and Budget Report refer).

7.1 The Precepts were agreed in Full Council and the Precept decision and amount have been reported in the Council's Minutes. The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions.

7.2 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 of the annual budget and of receipts and payments.

7.3 The estimates for 2025/26 were used effectively for financial control and budgetary control purposes with detailed budgetary position statements (budget reports) being presented to meetings of the Council.

7.4 The Council regularly considers Restricted and Earmarked Reserves as a matter of routine. As at the 31 March 2026 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense.

7.5 The Overall Reserves at the year-end totalled £149,964 of which £126,464 was Earmarked as follows:

a)	Cheyne Walk Fence:	£1,000
b)	Play Area, new equipment etc:	£30,009
c)	Community Orchard Grant:	£1,350
d)	Lychgate & Cemetery Maintenance:	£3,916
e)	Grounds Maintenance Reserve:	£15,019
f)	VE Day Grants:	£68
g)	Streetlights Repairs/LEDs/Removal:	£68,109
h)	Tree Maintenance:	£6,093
i)	Village Improvements:	£900

7.6 The General Reserves (Overall Reserves less Earmarked Reserves) accordingly totalled £23,500 as at 31 March 2026 (50% or 6 months equivalent of the 2026/27 Precept) and is in line with the SAPPP (Proper Practices) Practitioners' Guide Item 5.34 that non-earmarked revenue reserves should usually be between 3 and 12 twelve months of net revenue expenditure/Precept.

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

8.1 Receipts are reported to the Council as a matter of routine within the Finance Reports. The Receipts recorded in the Cashbook (£61,702.91) consisted of the

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Precept (£47,000), Grants received (£1,000), CIL Income (£1,069.45), Allotment Rents (£332), Cemetery (£3,570), VAT reclaimed from HMRC (£4,068.65) and Bank Interest (£4,662.81).

8.2 Cemetery Fees for 2025/26 were reviewed by the Council at its meeting on 3 March 2025 and were published on the Council's webpage.

8.3 The Cemetery Record Book, Exclusive Right of Burial Register and invoices raised by the Clerk to funeral directors, stonemasons and members of the public were examined with the Clerk/RFO on a sample basis to confirm that the system in place was working effectively. The Clerk/RFO confirmed that she maintains a comprehensive grave and ashes plot map with appropriate records management in accordance with guidance from the Information Commisioner's Office (ICO).

8.4 The Clerk/RFO manages the Council's 25 allotments, including maintaining the Allotment Plan and issuing invoices to all allotment holders each September. The Clerk/RFO receives payments and follows up any outstanding standing order payments, as required, and pays the allotment rental to the landowner. In addition, the Clerk/RFO maintains the allotment waiting list.

8.5 The Allotments Policy provides that allotment rents will be reviewed annually and notified annually by the Council in September each year. New rental rates are to be applied from 1 October.

8.6 At the meeting on 10 November 2025 the Council noted that all allotments had been re-let and paid for, with only one not renewed. Four parishioners were on the waiting list and the Clerk/RFO was in the process of offering the vacant plot to a new holder. It was noted that allotment inspections are now to take place quarterly as some plots are not being adequately maintained and warning letters would be issued where necessary.

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

9.1 A Petty Cash system is not in use. An expenses system is in place with on-line payments being made for expenses incurred.

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

10.1 The Council's Payroll Services were outsourced to Van Dijk Accountants during the year 2025/26. Detailed payslips are produced. PAYE was in place during the year of account. P60 End of Year Returns were presented to the Internal Auditor.

10.2 Contracts of Employment is in place for the Council's two employees, Sally Chapman and John Harper. The End of Year P60 Certificates for 2025/26 were presented to the Internal Auditor.

10.3 At the meeting on 17 January 2022 the Council agreed to set up a Staff Pension Scheme and on 21 March 2022 the Council resolved to award a NEST pension scheme to any of the Council's staff who wished to join.

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10.4 At the meeting on 9 September 2025 the Council noted the Clerk/RFO's JNC/Annual NALC Pay Award for local government officers to apply from 1 April 2025.

10.5 In terms of the requirements under the Workplace Pensions legislation, on 25 August 2023 Van Dijk Accountants completed on behalf of the Council a re-declaration of compliance under the Pensions Act 2008. (The re-declaration of compliance confirms to The Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

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 An Asset Register is in place and is a comprehensive document displaying details of each asset, its location, purchase date (where known), purchase value and insurance value with supporting notes. The updated Register was reviewed and approved by the Council at its meeting on 2 March 2026.

11.2 The total value of £155,178 as at 31 March 2026 is a net increase of £56 compared to the value at the end of the previous year (£154,122) reflecting the addition of the new War Memorial at Loddon Road (included at the community value of £1) and the acquisition of a Bleed Control Kit (£55).

11.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost (where known) or a community value of £1 in appropriate cases. The Clerk/RFO confirmed that the current Asset Register is sent to the insurers when requesting quotations.

11.4 The value as at 31 March 2026 has been correctly entered into Box 9 of Section 2 of the AGAR.

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 has satisfactory internal financial controls in place. The Clerk/RFO provides comprehensive financial reports to Council meetings and Councillors are provided with information to enable them to make informed decisions. The Clerk/RFO provides the Council with an up-to-date report at each meeting regarding the Council's finances, including a list of Payments and Receipts since the previous meeting and Bank Balances.

12.2 Receipts and payments are listed as an attachment to the Council's Minutes as part of the overall financial control framework. The Council's Financial Regulations 6 and 7 lists the required procedures for Banking and Payments.

12.3 In addition, a detailed On-line Banking Policy is in place. The Council recognises the need to maintain robust controls over on-line payments as an

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integrated part of its overall financial control system.

12.4 The Council's account with Unity Trust Bank is organised to require internet payments to be authorised by two Councillor signatories. Requests for payment will be verified for accuracy by the Clerk/RFO and once authorised, the Clerk/RFO will set up the bank payments and inform two Councillor signatories by email with a copy of the payment schedule and invoices.

12.5 On receipt of the email from the Clerk/RFO the Councillor will authorise the payment, cross referencing with the schedule and invoice to ensure there are no discrepancies. The Councillor will then authorise the payment. At the next meeting of the Council the Councillors who authorised the payments will initial the invoices and the covering email. A report of all payments made is then prepared by the Clerk/RFO and presented to each meeting of the Council to be ratified by Full Council.

12.6 The Clerk/RFO confirmed to the Internal Auditor that the Unity Trust Bank does not issue Internet Banking payment confirmations stating that each payment has been completed. Consequently, the emails with the payments listed are printed out and attached to the invoices and at the next meeting the Councillors who authorised the payments initial the invoices and the email. The Clerk/RFO confirmed that the Council has authorised three Councillors to approve transactions generated by the Clerk/RFO.

12.7 The Clerk/RFO confirmed that no cheques were used in the year 2025/26.

12.8 The Internal Audit for the previous year (2024/25) was received and approved by the Council at its meeting on 12 May 2025 (Minute 8b refers). No matters of concern were raised in the report.

12.9 The Internal Auditor for the 2025/26 year was formally appointed by the Council at its meeting on 12 May 2025 and the date of the audit later confirmed as 13 April 2026.

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

13.1 The External Audit Report and Certificate by PKF Littlejohn LLP for the 2024/25 year (dated 22 July 2025) was received by the Council at its meeting on 8 September 2025. The Report raised no issues of concern.

14. Publication Requirements.

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

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

Following the completion of the External Audit (by 30 September):

Notice of Conclusion of Audit

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AGAR - Section 3
AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).

14.2 The Internal Auditor was able to confirm that the publication requirements have been met and that the documents in respect of the year 2024/25 were readily accessible on the Council's webpage:

https://ditchingham-pc.gov.uk/category/finance/

15. Additional Comments.

15.1 I would like to record my appreciation to the Clerk/RFO for her assistance during the course of the audit work. I would particularly like to commend the Clerk/RFO for the careful presentation of the Council's documents for the audit.

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Chartered Institute of Public Finance and Accountancy

Internal Auditor

13 April 2026

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