

## Internal Audit Report for Wherstead Parish Council

### for the year ending 31<sup>st</sup> March 2022

Clerk	Vacant - covered by Councillor Robin Coates
RFO (if different)	
Chairperson	David Baldry
Precept	£ 3,018.00
Income	£ 50,980.50
Expenditure	£ 15,643.28
General reserves	£ 5,608.87
Earmarked reserves	£ 38,944.39
Audit type	Annual
Auditor name	<b>Victoria Waples</b>

### 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 2020/21 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

<b>Section 1 – proper bookkeeping</b> 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.		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses an excel spreadsheet to produce reports on a Receipts and Payments basis. The cashbook supplied for internal audit is limited in detail and merely confirms the financial transactions of the parish council at any one point in time over budget headings. The year-end accounts provide overall details of the expenditure incurred. <i>Comment: Council should consider expanding the cashbook taking into account guidance as issued by the Practitioners' Guide which will allow the Council to consider amending the manner in which the accounting records are contained to ensure that the daily entries of receipts and expenditure and the matters to which they relate are well referenced to provide an effective tool for the basis of the council's internal controls.</i>
<i>Is the cash book up to date and regularly verified?</i>	Yes	Those undertaking the role Responsible Financial Officer have ensured that the cashbook is the focus for day-to-day accounting and are aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out and the functionality of the cashbook was found to be in order.
<b>Additional comments:</b>		

<b>Section 2 – Financial Regulation and Standing Orders</b> 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.	
<b>Evidence</b>	<i>Internal auditor commentary</i>

Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Full Council at its meeting of 19 <sup>th</sup> February 2022, reviewed the Council's Standing Orders. A copy of the Orders can be found on the Council's website and are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations (FR) were reviewed at the meeting of 8 <sup>th</sup> March 2022, a copy of which can be found on the Council's website. <i>Comment: as those seen on the website are based on the version produced by NALC in 2016, Council should take the opportunity at the next annual review of adopting the Model Standing Orders produced by NALC in 2019 which contain up to date provisions for procuring contracts.</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)? <sup>1</sup>	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (a Councillor following the resignation of the Clerk) to be responsible for the administration of the financial affairs of the relevant authority.
<b>Additional comments:</b>		

<b>Section 3 – Payment controls</b> 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.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	Council ensures that, at each full Council Meeting, a list of all payments due for settlement is presented to the meeting with formal approval of such expenditure being shown in the minutes and evidence of such paperwork

<sup>1</sup> Section 151 Local Government Act 1972 (d)

		in the files submitted for internal audit. Payments made away from the meeting are also brought back to full Council as retrospective payments and approved at the next meeting.
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	From the cashbook supplied, VAT is clearly identified in the cash book and the year-end position is verified as £2,132.56. The claim for the period 22 <sup>nd</sup> March 2021 to 31 <sup>st</sup> March 2022 in the sum of £2,460.96 was seen and verified as having been submitted after the year-end.
Has the Council adopted the General Power of Competence (GPOC)? <sup>2</sup>	<i>Not applicable</i>	Council is not eligible to exercise the General Power of Competence
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	<i>Not applicable</i>	There were no payments made under this power for the year under review.
Where applicable, are payments of interest in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<b>Additional comments:</b>		

#### Section 4 – 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 submitted for Internal Audit 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 reviewed and amended by the

<sup>2</sup> Localism Act

<sup>3</sup> 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 £8.41 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		<p>Council at its meeting of 9<sup>th</sup> November 2021 and 11<sup>th</sup> January 2022 but the copy submitted for internal audit is undated.</p> <p><i>Comment: Council might wish to ensure that having prepared and formally adopted its register of assessed risks, the relevant document is dated with a review date inserted thereby demonstrating that appropriate mitigation measures are in place and are at least annually reviewed.</i></p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.</p>
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Partly met	<p>Council has insurance in place under a Local Council Policy which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million and Fidelity Guarantee of £40thousand.</p> <p><i>Comment: Council at the next annual review might wish to consider increasing the level of Fidelity Guarantee to ensure it is sufficient to meet the recommended guidelines which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants due in April of the following year.</i></p> <p>There is no minute to demonstrate that Council carried out an annual review of its matters concerning insurance.</p> <p><i>Comment: Councillors should be 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. It is advisable that such a review is reference via a corresponding agenda item.</i></p>
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	No	<p>Whilst there is no minute to demonstrate that Council, in accordance with the Accounts and Audit Regulations 2015, formally reviewed the effectiveness of its system of internal control to ensure that it has mitigation measures on place to address the risks associated with the management of public finances during the year under review, it was reported at the meeting of 10<sup>th</sup></p>

---

<sup>4</sup> Accounts and Audit Regulations

		<p>May 2022 that a Councillor had carried out an internal review of the Council's year-end accounting records.</p> <p><b>Recommendation: Council should note the requirement, under the Accounts and Audit Regulations 2015, to have in place safe and efficient arrangements to safeguard public money. Council should take steps to ensure that it reviews its arrangements to protect public money during the coming year and minutes that such a review has taken place. An Internal Control Statement (model templates are available from SALC) would provide the basis for such an assertion.</b></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 appointment<sup>5</sup></i>	No	<p>The effectiveness of internal audit was not reviewed during the year.</p> <p><b>Recommendation: If Council were to adopt an Internal Control Statement this could be expanded to include the review of the effectiveness of internal audit thereby ensuring that by reviewing the terms of reference and effectiveness for internal audit, the council would follow guidance and demonstrate that it recognises that the function of internal audit is to test and report to the authority on whether its system of internal control is adequate.</b></p>
<b>Additional comments:</b>		

<b>Section 5 – Budgetary controls</b> 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		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021-2022 in the sum of £7,905 was approved by Full Council at its meeting of 23 <sup>rd</sup> November 2020.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £3,080 as per the paperwork seen dated 12 <sup>th</sup> January 2021 and approved at the same meeting noting that this was to be a 10% increase over the previous year. However upon reviewing the cashbook and bank statements it is noted that the sum received in April and September 2021 totalled £3018 following a revised precept form submitted on 4 <sup>th</sup>

<sup>5</sup> Practitioners Guide

		February 2021 with a corrected sum to be requested of £3018. This was in compliance with Council's instructions to set a precept with an increase of 10%.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	There was limited reporting of expenditure and variance from budget along with statements summarizing the Council's receipts and payments and aggregate receipts and payments for the year to date with balances held. <i>Comment: Council should be aware of its own Standing Orders and the timescales in which reports providing evidence of comparisons between budgeted and actual income and expenditure should be submitted to the Council and which form the basis of approval for virements in accordance with Council's own Financial Regulations.</i>
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	Council's final accounts show general reserves in the sum of £5,608.87 with earmarked reserves in the sum of £38,944.39. <i>Comment: Council might wish to note guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i>
<b>Additional comments:</b> <i>By following the recommended key stages as to the budgetary process, as well as monitoring actual performance against budget during the year, the Council would have clearly demonstrated that it understood and followed best practice and that it was suitably placed to take corrective action where necessary.</i>		

<b>Section 6 – income controls</b> The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.	
<b>Evidence</b>	Internal auditor commentary

<sup>6</sup> 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

<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council's Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Partly met	There was limited reporting of income received to full Council. <i>Comment: Council is advised to ensure that all income received is included within financial reports submitted to full Council.</i>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £3,018 during the year under review in April and September 2021. Evidence was provided showing a full audit trail from the Precept being discussed and approved along with the revised form dated 4 <sup>th</sup> February 2021 served on the Charging Authority to receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Yes	Council received CIL receipts in the sum of £38,527.14 during the year under review in April and October 2021.
<i>Is CIL income reported to the council?</i>	Yes	CIL payments received during the year under review were reported at the meeting of 9 <sup>th</sup> November 2021.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL annual report for 2021/2022 shows that there is a retained balance of £35,111.14 which has been transferred into an Earmarked Reserve specifically allocated, in accordance with the Regulations. The Internal Auditor was provided a copy of the CIL workings and earmarked expenditure from the retained balances.
<i>Has an annual report been produced?</i>	Yes	Council has approved the Annual CIL Statement showing retained balances.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year 2021 - 2022 has been uploaded onto the Council's website.
<b>Additional comments:</b>		

<sup>7</sup> Community Infrastructure Levy Regulations 2010

Section 7 – 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>	<i>Not applicable</i>	Petty cash is not operated by the Council.
<b>Additional comments:</b>		

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. If the Clerk was recruited after 1 <sup>st</sup> April 201, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	<i>Not applicable</i>	Council had nil employees on its payroll at the period end of 31 <sup>st</sup> March 2022.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments for when the Clerk was in post were authorised by full Council.
<i>Minimum wage paid?</i>	<i>Not applicable</i>	The minimum wage was not applied to any employee during the year under review.
<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 were 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 complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review was operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on three

		payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	No	Currently Council has no employees and there is no evidence to demonstrate that Council was previously aware of its pension responsibilities. As Council is currently advertising for a new member of staff, it should note that under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called 'automatic enrolment' and details can be found at: <a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a> The link below will also provide further details of Council's obligations as an employer: <a href="https://www.thepensionsregulator.gov.uk/en/employers">https://www.thepensionsregulator.gov.uk/en/employers</a> Council should also note that every three years an employer must put certain staff back into a pension scheme. This is known as 're-enrolment'. This is an employer's legal duty and Councils must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR.
<b>Additional comments:</b>		
<b>Section 9 – Asset control</b> 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.		
<b>Evidence</b>		Internal auditor commentary

<sup>8</sup> The Pension Regulator – [website click here](http://www.thepensionsregulator.gov.uk)

<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2022) is £13,400. <i>Comment: it is noted that the value for the year ending 31<sup>st</sup> March 2022 shows a significant variation to that declared in 2021 (£25,235). Council has provided an Asset Variation Statement with an explanation as to the variance and this will need to be provided to the External Auditor.</i>
<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 2021 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 and if/where amended, it will need to publish and provide explanations in changes in value to any previously recorded assets.
<i>Are records of deeds, articles, land registry title number available?</i>	Yes	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	Whilst the asset register is still to be off by the council, the value of £13,400 is that which is declared as the Council's Assets on the Draft Accounting Statements of the AGAR.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Local Council Policy for all risks cover for its assets as per the categories shown on the insurance schedule.
<b>Additional comments:</b>		

<b>Section 10 – bank reconciliation</b> 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.	
<b>Evidence</b>	Internal auditor commentary

<sup>9</sup> Practitioners Guide

<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the financial reports submitted at each meeting.
<i>Do bank balances agree with bank statements?</i>	Yes	From the bank statements seen, noting that there were no period end bank reconciliations submitted, Council's bank balances at 31 <sup>st</sup> March 2022 were £44,553.26 which takes into account the unpresented cheques totalling £166.76. <b>Recommendation: see comment under Section 11 for amendments to the Draft Accounting Statements.</b>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Bank balances across the Council's accounts were reported at meetings of full Council. <i>Comment: as part of its internal controls, once a new Clerk/RFO is in post, Council is advised to appoint a Councillor to have responsibility for bank reconciliation checks and for such reviews to be evidence via a minute reference at appropriate internals during the year.</i>
<b>Additional comments:</b>		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis, and all were found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	There is an appropriate audit trail from records to presented accounts.
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.

<sup>10</sup> Annual Governance & Accountability Return (AGAR)

		<p><b>Recommendation: Council will need to revisit the Draft Accounting Statements as written ensuring that they comply with the audited figures approved by the external auditor for the year ending 31 March 2021. The amendments to be made are marked in bold</b></p> <table> <tr> <th></th><th>31 March 2021</th><th>31 March 2022</th></tr> <tr> <td>Box 1</td><td><b>6391</b></td><td><b>9216</b></td></tr> <tr> <td>Box 2</td><td>2800</td><td>3018</td></tr> <tr> <td>Box 3</td><td><b>5453</b></td><td>47962</td></tr> <tr> <td>Box 4</td><td>0</td><td>933</td></tr> <tr> <td>Box 5</td><td>0</td><td>0</td></tr> <tr> <td>Box 6</td><td><b>5428</b></td><td><b>14710</b></td></tr> <tr> <td>Box 7</td><td><b>9216</b></td><td><b>44553</b></td></tr> <tr> <td>Box 8</td><td><b>9216</b></td><td><b>44553</b></td></tr> </table>		31 March 2021	31 March 2022	Box 1	<b>6391</b>	<b>9216</b>	Box 2	2800	3018	Box 3	<b>5453</b>	47962	Box 4	0	933	Box 5	0	0	Box 6	<b>5428</b>	<b>14710</b>	Box 7	<b>9216</b>	<b>44553</b>	Box 8	<b>9216</b>	<b>44553</b>
	31 March 2021	31 March 2022																											
Box 1	<b>6391</b>	<b>9216</b>																											
Box 2	2800	3018																											
Box 3	<b>5453</b>	47962																											
Box 4	0	933																											
Box 5	0	0																											
Box 6	<b>5428</b>	<b>14710</b>																											
Box 7	<b>9216</b>	<b>44553</b>																											
Box 8	<b>9216</b>	<b>44553</b>																											
<i>Did the Council meet the exemption criteria and correctly declare itself exempt?</i>	Yes	Although the Parish Council did not have gross income and expenditure exceeding £25,000, it chose to not exempt itself from a limited assurance review.																											
<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>	Yes	The Internal Auditor is able to confirm that the parish council set the dates for the exercise of public rights as required by the 2015 Regulations as being 1 <sup>st</sup> July to 11 <sup>th</sup> August 2021.																											
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	Yes	<p>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 for the year ending 31 March 2021 and published the following on a public website:</p> <p>Internal Audit Report of the AGAR  Section 1 – Annual Governance Statement of the AGAR  Section 2 – Annual Accounting Statements of the AGAR  Section 3 – External Audit Report and Certificate.  Notice of the period for the exercise of public rights  Notice of the conclusion of audit</p>																											
<b>Additional comments:</b>																													

<sup>11</sup> Accounts and Audit Regulations 2015

<b>Section 12 – internal audit</b>		
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.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	<i>No</i>	The Internal Auditor is unable to find evidence that, in accordance with Proper Practices, the Council considered the internal audit report for the year ending 31 <sup>st</sup> March 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Partly met</i>	The following areas were identified within the Internal Audit Review ending 31 <sup>st</sup> March 2021 as requiring improvement : <ol style="list-style-type: none"> <li>1. Review of Asset Registers;</li> <li>2. Compliance with Transparency And Audit Regulations over information uploaded to the Parish Council Website;</li> <li>3. Budgetary &amp; Financial Planning processes to be followed;</li> <li>4. Adoption and reporting of Risk Assessments carried out;</li> <li>5. Completion of and submission of Financial Records to each relevant meeting.</li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	<i>Yes</i>	At the meeting of 10 <sup>th</sup> May 2022, the appointment of SALC as the internal auditor was approved by full Council.
<b>Recommendation: following the completion of the internal audit, Council should be aware that if it receives a report from the internal auditor, it should consider the matters included in this report and decide what action it needs to take to prevent recurrence of the issues raised. Internal audit reports should inform the council's response to Assertions 2 and 6 of the Annual Governance Statement. As the internal audit report identified areas for development, Council should ensure that it produces an action plan with proposed remedial actions and that the plan identifies the people responsible for delivering improvement and the deadlines for completion of the actions.</b>		

<b>Section 13 – external audit for the period under review</b>	
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.	
<b>Evidence</b>	<i>Internal auditor commentary</i>

<i>Has the Council considered the previous external audit report?<sup>12</sup></i>	Yes	At the meeting of full Council of 9 <sup>th</sup> November 2021, the minutes state that the Audit for the last financial year has been completed and the books had been signed off with some comments.
<i>Has appropriate action been taken regarding the comments raised?</i>	Partly met	<p>Whilst there were no matters which come to the attention of the external auditor which have cause for concern that relevant legislation and regulatory requirements had not been met, the following comments were made by the external auditor "The smaller authority failed to approve the AGAR in time to publish it before 1 July 2021, the date required by the Accounts and Audit Regulations 2015 and did not disclose this by answering 'No' to Section 1, Box 1."</p> <p>Other matters which they drew to the attention of the authority are as follows: "We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2021/22 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2021/22 and ensure that it makes proper provision for the exercise of public rights during 2022/23.</p> <p>In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to the maintenance of asset and investment registers. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests. Any earmarked reserves should be considered and formally approved by the smaller authority. The smaller authority has not provided: an adequate explanation for the variance between the prior and current year values in Box 6 of Section 2."</p>

<sup>12</sup> 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.*

		<i>Comment: Council has taken / will be taking action to address the weaknesses so identified in the internal audit report and noted by the external auditor.</i>
<b>Additional comments</b>		

<b>Section 14 – additional information</b> The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup> <i>(Note to auditor- emergency Regulations because of the COVID-19 pandemic)</i> <sup>14</sup>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 27 <sup>th</sup> May 2021 in accordance with legislation in place at that time. In accordance with the repeal of the Coronavirus Act 2020 legislation, all meetings held after 7 <sup>th</sup> May 2021 were held in person.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>	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> <p>Whilst the minutes show apologies given (where applicable), on some occasions there is no formal record to show that Council has approved the apologies submitted.</p> <p><i>Comment: s85 of the 1972 Act states that “..if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.” Council is advised</i></p>

<sup>13</sup> The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

<sup>14</sup> The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

<sup>15</sup> Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		<i>to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification.</i>
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the District Authority's website the Register of Interests for all current Parish Councillors. <i>Comment: Council might wish to note that, whilst the monitoring officer of the District Council must arrange for the parish council's register of members' interests to be available for inspection in the district which must be published on the district council's website, where the parish council has its own website, its register of members' interests must also be published on that website. (Openness and transparency on personal interests - A guide for councillors – August 2012).</i>
<i>Does the Council have any Trustee responsibilities ??</i>	None held	Council does not have any Trustee Responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Partly met	Councils with income over £25,000 but under £200,00 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Council is working towards ensuring compliance with the requirements under the Transparency Code 2015 for those items that are relevant to the Council.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>	No	The Council is not currently registered with the Information Commissioner's Office (ICO) as a Data Controller Council. <b>Recommendation: Council is advised to carry out a Data Protection Impact Assessment which will demonstrate that the Council is holding personal data and will provide evidence that it also processes personal data (this can include any information (including opinions and intentions) which relates to an identified or identifiable natural (living) person, e.g. name; email address; photographs; financial information; N.I. numbers i.e. anything by which identification can be by the personal data alone or in conjunction with any other personal data). As such the Council is considered to be a Data Controller and must register with the ICO as such.</b>

<sup>16</sup> Data Protection Act 2018

		<p>Council does not appear to have a Model Publication Scheme.</p> <p><b>Recommendation: Under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. Council should seek to adopt a Model Publications Scheme which details the information it holds and how it will be made available to the public, at the earliest opportunity and ensure that it is published on its website.</b></p>
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	No	<p>Council has still to take steps to ensure compliancy with the regulations as written.</p> <p><b>Recommendation: Council should consider adopting specific policies detailing 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. Council is also advised to adopt a Data Retention Policy which will detail the periods for which documentation will be held along with the methods of disposal. It is also good practice to adopt an impact assessment policy which will allow an audit to be carried out on the occasion of the adoption of a new policy which potential GDPR implications.</b></p> <p>Templates are available from SALC.</p>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Partly met	<p>Whilst Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, there is no website accessibility statement on the Council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p>

<sup>17</sup> Website Accessibility Regulations 2018

<i>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Yes	Council has its own email address which is owned by the parish council and not connected to a personal email account. <i>Comment: Council is aware of the importance of ensuring that it uses a secure e-mail system thereby identifying that it has a secure status and demonstrating authenticity when building trust and credibility with the public. Council has also adhered to the guidance contained within proper practices which recommends that a domain name be used to support council's official email accounts for officers and councillors.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council has in place a system whereby back-up of the council's data is stored in an appropriate manner.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Not applicable	Council does not operate a committee system.
<p><b>Additional comments:</b>  <i>Local Government Transparency Code 2015 - to ensure full compliance with the requirements of the Local Government Transparency Code 2015 (for Council whose gross annual income or expenditure (whichever is the higher) exceeds £200,000), Council might wish to note that its website should be updated with the following information in accordance with the required timescales:</i>  <i>quarterly: Individual items of expenditure that exceed £500; Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000;</i>  <i>annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisation Chart.</i></p> <p><i>Website Accessibility: As The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 are now in force, Council should ensure that at the very minimum it publishes on its website, a Website Accessibility Statement, which has identified the areas which are not accessible and shows that Council has a forward plan so that it can make changes to improve this.</i></p>		

Signed: V S Waples

Date of Internal Audit Visit: 14.06.2022 & 21.06.2022

Date of Internal Audit Report: 22.06.2022

On behalf of Suffolk Association of Local Councils

<sup>18</sup> Practitioners Guide