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Internal Audit Report for Stonham Parva Parish Council for the year ending 31st March 2021

Clerk	Wendy Brame
RFO (if different)	
Chairperson	Trevor Benjamin
Precept	£6,700.00
Income	£35,309.73 – 7,500.00
Expenditure	£31,316.01 – 7,500.00
General reserves	£6,447.49
Earmarked reserves	£314.17
Audit type	Annual
Auditor name	Vicky Waples

Introduction

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

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

- the effectiveness of operations
- the economic and efficient use of resources

- Compliance with applicable policies, procedures, laws and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- the integrity and reliability of information, accounts and data

Methodology

When conducting the audit, the internal auditor may:

- carry out 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 carried out as planned

Section 1 – proper bookkeeping	
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.	
Evidence	<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes The council uses an excel spreadsheet to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the parish council are recorded and are as accurate as reasonably practicable.
<i>Is the cash book up to date and regularly verified?</i>	Yes The RFO has ensured that the cashbook is the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system. The cashbook is reconciled on a monthly basis.
<i>Is the arithmetic correct?</i>	Partly met The accounting records were spot checked, and the following should be noted: <ol style="list-style-type: none"> 1. a receipt received in error by the Council was refunded and allocated as a payment. 2. A repayment of an overpayment for salary to the Clerk was refunded and allocated as a receipt. 3. The sum of £2.40 incorrectly reclaimed as VAT was not allocated as a credit within the cashbook.
Additional comments: Recommendation: Council should revisit the Accounting Statements as approved and ensure that the repayment for the incorrect monies received is offset within the receipts to ensure that whilst the overall result might not affect the final numbers in the financial statements it will cause a significant distortion in the overall income received. The treatment of refunds has also been incorrectly applied and this too should be corrected, noting that this should be a contra entry within payments and not allocated as a receipt.	

Section 2 – Financial Regulation and Standing Orders
The internal auditor will check the date the Council carried out its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.

Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council formally reviewed its Standing Orders at its meeting of 8 th February 2021, a copy of which can be found on the Council's website and which 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 which were reviewed at the meeting of the Council on 10 th August 2020, a copy of which can be found on the Council's website and which are based on the Model Standing Orders produced by NALC in 2019.
Has the Council properly tailored the Financial Regulations?	Yes	Council has ensured that its Financial Regulations are fully tailored to the Parish Council by removing the [square] sections.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority.
<p>Additional comments: <i>Council has shown good practice by ensuring that it has in place appropriate measures governing how it operates, provisions for securing competition and regulating the manner in which tenders are invited. In accordance with proper practices, Council has ensured that its Standing Orders and Financial Regulations are regularly reviewed, fit for purpose and that Council agrees to adhere to them as written.</i></p>		

Section 3 – Payment controls	
<p>The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>	
Evidence	Internal auditor commentary

¹ Section 151 Local Government Act 1972 (d)

Is there supporting paperwork for payments with appropriate authorisation?	Yes	<p>At each scheduled meeting a list of all payments is presented to the meeting with formal approval of such expenditure being shown in the minutes. Spot checks were carried out on the payment schedules referred to in the minutes which are retained on file and uploaded onto the Council's website but not appended to the minutes.</p> <p><i>Comment: in accordance with FR 5.6 Council has ensured that payments which arise on a regular basis of a continuing contract are included within the list of payments to be approved at the next appropriate meeting.</i></p>
Where applicable, are internet banking transactions properly recorded and approved?	Partly met	<p>Internet banking is operated by the Council but there are no internal controls within the Risk Assessment Documentation detailing the terms of reference for such payments to be made. It is noted however that all payments are reported to the Council for approval.</p> <p><i>Comment: Council should ensure that there are dual authority procedures in place when making payments using online banking and that such controls form part of the Council's Internal Control Statement and link into the Council's Risk Assessment Documentation.</i></p>
Is VAT correctly identified, recorded and claimed within time limits?	Yes	<p>VAT is clearly identified in the ledger book and claimed in accordance with the guidelines for local authorities and similar bodies. The year-end date of assessment position of £3,193.08 is verified in the cashbook. An explanation for the difference in the VAT claim submitted was provided within the files submitted or internal audit and confirmation given that overall the Council reclaimed the sum of £3,190.68.</p> <p><i>Comment: Council should note the treatment of credit notes or refunds as mentioned under 1 above.</i></p>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	No	<p>The Parish Council does not use the General Power of Competence.</p>

² Localism Act

Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	<i>Not applicable</i>	There were no payments made under s137 for the year under review.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	The Council has no such loans and incurred no interest payments.
<p>Additional comments: <i>Comment: Council should be mindful of NALC's guidance over repealed Section 150(5) of the Local Government Act 1972, in that Councils must not relinquish the 'two-member signatures' control over cheques and other orders for payment until they have put in place safe and efficient arrangements. Guidance from the NALC Finance and Audit Advisor has been that the over-riding requirement resulting from the abolition of S150 (5) is that each and every local council seeking to depart from the two-signature rule must "implement and maintain robust controls on expenditure as an integrated part of their overall financial control system".</i></p>		

<p>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.</p>		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	<i>Partly met</i>	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 although there are no references to online banking as operated by the Parish Council. The Risk Assessment for the year ending 31 st March 2021 was reviewed by full Council at the meeting of 10 th August 2020. See recommendation under Internal Controls below relating to online banking.
<i>Is there evidence that risks are being identified and managed?</i>	<i>Partly met</i>	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

³ 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 £8.12 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		<p>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> <p>See recommendation under Internal Controls below</p>
<p><i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i></p>	<p>Yes</p>	<p>Council has insurance in place under a Parish Protect Policy which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m; Business Interruption: £5k and Fidelity Guarantee of £25k.</p> <p><i>Comment: the level of Fidelity Guarantee 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.</i></p> <p>Council carried out a review of its insurance requirements prior to renewal at its meeting in March 2021, recognising that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, have been taken to mitigate and manage the risk.</p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁴</i></p>	<p>No</p>	<p>In accordance with the Accounts and Audit Regulations 2015, Council has not formally reviewed the effectiveness of its system of internal control to ensure that it has mitigation measures in place to address the risks associated with the management of public finances.</p>
<p><i>Evidence that a review of the effectiveness of internal audit has been carried out during the year⁵</i></p>	<p>Partly met</p>	<p>There is no formal minute to show that Council considered the effectiveness of internal audit during the year under review although Council did minute the appointment of SALC as the internal auditor for the year under review.</p> <p><i>Comment: by reviewing the terms of reference and effectiveness for internal audit the council would have followed guidance as written under the Accounts and Audit Regulations 2015 and demonstrated 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.</i></p>
<p>Additional comments</p> <p>Recommendation: Although Council is mindful to ensure that all payments are carried out with reference to its own Financial Regulations 5.5, there is no reference to online banking for the use of the settlement of accounts within the Council's overall Risk</p>		

⁴ Accounts and Audit Regulations

⁵ Governance and Accountability Guide

Assessment documentation and Council has no Internal Control Statement. Such a statement would provide Council Members with the assurances that they have a degree of control and understanding of the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically . Council should consider expanding its policies to ensure that it has a clear procedure for the way in which it operates with regards to the operation of its online accounts.

Section 5 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2020–2021 in the sum of £6,700 was set at a full Council Meeting on 9 th December 2019 noting that anticipated income was to be in the sum of £7,110.00
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was agreed at £6,700 and set at the meeting of 13 th January 2020.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	During the year under review, Council considered the comparisons between budgeted and actual income and expenditure at its November meeting (six monthly accounts). <i>Comment: Council should ensure that the consideration of such comparisons are in accordance with the timescales as prescribed under Council's own Standing Order 17c.</i>
<i>Reserves held – general and earmarked⁶</i>	Yes	Council's final accounts show general reserves in the sum of £6,447.49 with earmarked reserves in the sum of £314.17.

⁶ 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

	<p><i>Council might wish to be aware of the 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></p>
<p>Additional comments: <i>Comment: Council has demonstrated in accordance with good practice, that it follows the recommended key stages as to the budgetary process for the year:</i></p> <ul style="list-style-type: none"> • <i>decide the form and level of detail of the budget;</i> • <i>review the current year budget and spending;</i> • <i>determine the cost of spending plans;</i> • <i>assess levels of income;</i> • <i>bring together spending and income plans;</i> • <i>provide for contingencies and consider the need for reserves;</i> • <i>approve the budget;</i> • <i>confirm the precept or rates and special levies; and</i> • <i>review progress against the budget regularly throughout the year.</i> <p><i>Reserves: in accordance with guidance as issued under the Practitioners Guide, the Council should have regards to the need to put in place a General Reserve Policy which will ensure that it reviews the level and purpose of all Earmarked Reserves.</i></p>	

<p>Section 6 – income controls The internal auditor will seek evidence to ensure income is correct managed – recorded, banked and reported and test mechanisms used to achieve this.</p>		
Evidence		Internal auditor commentary
<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 continued to ensure that the accounting records contain all day-to-day entries of all sums of money received. See recommendation under 1 above and 11 below.
<i>Is income reported to full council?</i>	Yes	Income received is reported within the financial reports submitted at scheduled meetings.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £6,700 during the year under review in April and September 2020. A full audit trail confirming the Precept being requested of the Charging Authority to that received in the Council's bank account and reported in its year end accounting statement was seen within the files submitted for internal audit.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	For the year under review Council did not receive any CIL Receipts.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Not applicable	The CiL annual report for 2019/20 shows that all CIL monies were spent within the year of receipt.
<i>Has an annual report been produced?</i>	Yes	The Council has no retained balance of CIL funds to transfer into an Earmarked Reserve specifically allocated.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year 20/21 has been uploaded onto the Council's website.
<p>Additional comments: Council is reminded of the reporting schedule of its aggregate receipts and payments as adopted within its own Standing Order 17: The Responsible Financial Officer shall supply to each councillor as soon as practicable after 30 June, 30 September and 31 December in each year a statement to summarise:</p> <ul style="list-style-type: none"> <i>i. the Council's receipts and payments (or income and expenditure) for each quarter;</i> <i>ii. the Council's aggregate receipts and payments (or income and expenditure) for the year to date;</i> <i>iii. the balances held at the end of the quarter being reported and which includes a comparison with the budget for the financial year and highlights any actual or potential overspends</i> 		

<p>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.</p>

⁷ Community Infrastructure Levy Regulations 2010

Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	<i>Not applicable</i>	
Additional comments:		

Section 8 – Payroll controls		
<p>The Internal Auditor will check salaries are 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 1st April 2011, 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.</p>		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 st March 2021. Employment contracts were not reviewed during the internal audit which was carried out by remote means. All salary payments are authorised by full council. The minimum wage is not applied to any employees.
<i>Has the Council approved salary paid?</i>	Yes	
<i>Minimum wage paid?</i>	No	
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were carried out covering salary and PAYE and were found to be in order. Deductions paid to HM Revenue and Customs 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?⁸</i>	Yes	Council is aware of its pension responsibilities and there is no pension scheme in operation.
<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. All expenses / payments made are against itemised invoices submitted to and approved by full Council.
Additional comments: <i>There are robust payroll arrangements in place with ensures the accuracy and legitimacy of payments of salaries and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.</i>		

Section 9 – Asset control The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register as submitted for internal audit was reviewed and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership.
<i>Are the value of the assets included? (note value for insurance purposes may differ)</i>	Yes	The declared value for all assets at year-end of 31 March 2021 is £34,447 which shows movement in the year.
<i>Are records of deeds, articles, land registry title number available?</i>	No	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.

⁸ The Pension Regulator – [website click here](#)

⁹ Governance and Accountability for Smaller Authorities in England – March 2019

<i>Is the asset register up to date and reviewed annually?</i>	Yes	All assets have been stated at cost value (fixed at 2010) in accordance with the basis as recommended by the Chartered Institute of Public Finance and Accountability (CIPFA) and where assets have been gifted or where there is no known value have been given the proxy value of £1. Council formally reviewed its asset register at its meeting of 19 th April 2021 when the Accounting Statements were signed off.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Parish Protect Policy for assets to the value of £50,000 which is a sufficient banding for assets recently added to the register.

Additional comments:

Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2020 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.

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations, following the implementation of the financial package, are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the detailed financial reports submitted at each meeting.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 st March), the balance across the councils accounts stood at £48,900.50 as recorded in the Statement of Accounts and on the Year-end Bank Reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported on a monthly basis to full Council. All Councillors approved the bank reconciliation which is submitted with the finance report.

		<i>Comment: The RFO ensures that the Council is aware that in accordance with proper practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows and therefore aids decision-making.</i>
<p>Additional comments: <i>In accordance with Proper Practises, Council has implemented a system whereby a non-signatory Councillor carries out a three-monthly reconciliation and formally signs off the bank reconciliation. This is not only good practice but also is a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i></p>		

Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	<p>As Council is a smaller authority with gross income and expenditure exceeding £25,000 it has completed Part 3 of the AGAR. The Annual Governance Statements and Accounting Statements were approved at the meeting 19th April 2021.</p> <p>Recommendation: as stated above under Section 1, Council is recommended to revisit the Accounting Statements and nett off the return of the repayment of the incorrect income received and repayment of overpaid salary in order to ensure that the income received is not overinflated for the year under review. Box 2 and therefore Box 6 will need to be amended.</p>

¹⁰ Annual Governance & Accountability Return (AGAR)

<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Yes</p>	<p>As the Parish Council had gross income and expenditure not exceeding £25,000 for the year ending 31st March 2020, it was able to declare itself exempt from a limited assurance review for the year 2019/20. This was confirmed at the meeting of 11th May 2020.</p>
<p><i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i></p>	<p>No</p>	<p>The Internal Auditor is able to confirm that the parish council the dates provided for the exercise of public rights were from 6 October to 16 November 2020. However, Council has failed to follow the amended dates as set out under the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 which states that whilst the requirement for the public inspection period does not need to include the first 10 working days of July, local authorities must commence the public inspection period on or before the first working day of September 2020. It is also noted that Council failed to approve the draft accounts by 31 August at the latest.</p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>No</p>	<p>The council has not complied with the requirements of the Regulations for smaller authorities with income and expenditure not exceeding £25,000 as all of the following were not published on the public website operated by the Council: for the year ending 31st March 2020:</p> <ul style="list-style-type: none"> • Certificate of Exemption, page 3 • Annual Internal Audit Report, page 4 • Section 1 – Annual Governance Statement 2020/21, page 5 • Section 2 – Accounting Statements 2020/21, page 6 • Analysis of variances • Bank reconciliation • Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015. <p><i>Comment: as Council has income and expenditure exceeding £25,000 for the year ending 31st March 2021, it will need to comply with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 and published the following on a public website:</i></p> <p><i>Section 1 – Annual Governance Statement of the AGAR</i> <i>Section 2 – Annual Accounting Statements of the AGAR</i></p>

¹¹ Accounts and Audit Regulations 2015

		Section 3 – External Audit Report and Certificate Notice of the period for the exercise of public rights Annual Internal Audit of the AGAR
Additional comments: Recommendation: Council must answer in the negative to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that for the year ending 31st March 2021, it makes proper provision for the exercise of public rights and publishes items in accordance with the information shown on the AGAR Page 1 Guidance Notes for the year 2020/2021.		

Section 12 – internal audit The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the previous internal audit report been considered by the Council?</i>	Yes	The Internal Audit Report was considered by full Council at its meeting of 30 th September 2020.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The following recommendations were raised in the internal report: <ol style="list-style-type: none"> 1. To include GDPR in the Council's risk assessment documentation 2. To comply with the publication requirements of the Transparency Code 3. Review whether earmarked reserves should be established 4. Annual Council Meeting – 1st item to be the election of the Chair
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of SALC as the Council's internal auditor was confirmed at the meeting of 8 th February 2021.
Additional comments:		

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

<i>Has the previous external audit report been considered by the Council?</i> ¹²	Yes	As Council did not have gross income and expenditure exceeding £25,000 it was able to exempt itself from a Limited Assurance Review.
<i>Has appropriate action been taken regarding the comments raised?</i>	Not applicable	
Additional comments:		

Section 14 – additional information		
The internal auditor will look for some additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³ <i>(note to auditor- emergency Regulations as a result of the COVID-19 pandemic)</i> ¹⁴	Yes	Council did not hold an Annual Council Meeting during the year under review. <i>Comment: In recognition of this being unprecedented times and following the Government's guidelines for staying at home and working remotely, the Government included within s.78 in the Coronavirus Act 2020 (made 4th April 2020) the ability for the Secretary of State to have the power to make Regulations to cover the provisions for the holding of meetings. The 2020 Regulations set out those provisions. This also repealed for the year under review, the requirement to hold an Annual Council Meeting. Council has followed these regulations and held its meetings via the Videoconferencing platform.</i>

¹² 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.

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

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

<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁵	Yes	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.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the District Authority's website of the Register of Interests for all current Parish Councillors. <i>Comment: Council is reminded 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 and 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 and if so are these clearly identified in a Trust Document?</i>	Not applicable	
<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).
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> ¹⁶	Yes	The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: Z2723896 Expires 12/06/2021
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	The Council is taking steps to ensure compliancy and has shown good practice by ensuring that it has adopted a range of policies which were able to view on the website 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.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?</i> ¹⁷	Yes	A website accessibility statement was seen on the Council's website as provided by the website host detailing the technical information of the

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

¹⁶ Data Protection Act 2018

¹⁷ Website Accessibility Regulations 2018

		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.
<i>Is there evidence that electronic files are backed up?</i>	Yes	
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Not applicable	
<p>Additional comments: <i>Transparency Code 2015 - To ensure full compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), the following information should be published in accordance with the required timescales:</i> <i>quarterly:</i> <i>Individual items of expenditure that exceed £500 (currently published on an annual basis);</i> <i>Government Procurement Card transactions;</i> <i>Invitations to tender for contracts over £5,000;</i> <i>Details of contracts that exceed £5,000;</i> <i>annually:</i> <i>Details of all land and building assets;</i> <i>Grants to Voluntary, Community and Social Enterprise Organisations.</i></p>		

Signed: *Victoria S Waples*

Date of Internal Audit Visit: 09.06.2021 & 14.06.2021

Date of Internal Audit Report: 25 June 2021

On behalf of Suffolk Association of Local Councils