

Internal Audit Report for Stonham Parva Parish Council for the year ending 31st March 2022

Clerk	Wendy Brame
RFO (if different)	
Chairperson	Trevor Benjamin
Precept	£ 6,582.00
Income	£ 12,599.72
Expenditure	£ 8,288.29 - £800.00 = £7,488.29
General reserves	£ 11,073.09
Earmarked reserves	£ 800.00
Audit type	Annual
Auditor name	Victoria Waples

Introduction

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

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

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

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 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

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 as accurate as reasonably practicable.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The Responsible Financial Officer (RFO) has continued to ensure 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.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out and the following is found: The RFO has allocated two internal transfers between Council’s accounts as payments from the Council. <i>Comment: this error should be corrected as it has impacted on the accounting Statements as produced – Box 6 of the Annual Governance and Accountability Return and Total Expenditure of the Certificate of Exemption.</i>
Recommendation: Council should revisit the Accounting Statements and Exemption Certificate (the latter as approved) and ensure that the internal transfers are removed from Box 6 and Total Payments as this has caused a significant distortion in the overall expenditure stated.		

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council’s Orders are based on the Model Standing Orders produced by NALC in 2018 (amended 2020) which take into account changes in

		legislation since those produced in 2013. Those seen on the website show a review date of January 2021.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations are based on the Model Standing Orders produced by NALC in 2019. Those seen on the website were reviewed in September 2020.
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	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.
Additional comments: Council might wish to note that LTN87 – Procurement - has provided an update on the thresholds for procuring contracts. The amended values should be incorporated into the Council's Standing Orders and Financial Regulations at the next annual review.		

<p>Section 3 – Payment controls</p> <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		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	At each relevant full Council Meeting a list of all payments is presented to the meeting with formal approval of such expenditure being shown in the financial statements submitted at each meeting and evidence of such paperwork in the files submitted for internal audit. The RFO 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.

¹ Section 151 Local Government Act 1972 (d)

Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated by the Council. <i>Comment: it is assumed, from the invoices seen, that Council's release of payments in the main follows its own Financial Regulations 6.4; 6.6 & 6.9 for the authorisation of payments and that Council retains a dual authorisation system. It is however noted that there is no specific mention within the Council's risk assessment to the procedures to be followed in the settlement of council's debts via internet banking.</i>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified within the cashbook and claimed in accordance with the guidelines for local authorities and similar bodies. The year-end position of £540.32 was seen and verified against entries in the cashbook and the claim to be submitted for this amount was submitted for internal audit review.
Has the Council adopted the General Power of Competence (GPOC)? ²	<i>Not applicable</i>	Council does not use the General Power of Competence.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	Payments made under this power for the year under review totalled £208.00 and were within statutory limits and separately identified.
Where applicable, are payments of interest in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<i>Additional comments:</i> <i>It is noted in the Council's risk assessment documentation that reference is the addition of the 'power to pay' will be included within the minutes or the financial reports for all payments. Council is advised to implement this system noting that it is the responsibility of Councillors to satisfy themselves that they have the appropriate legal power to incur expense and as such might wish to refer to the exact power being used to ensure that all financial decisions or payments being made are in accordance with statute and the Council is not undertaking any decisions or payments that are ultra vires.</i>		

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.	

² Localism Act

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

Evidence		Internal auditor commentary
<i>Is 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. <i>Comment: Whilst it is acknowledged that the documentation submitted for internal audit was reviewed during the year, the Financial Risk Management Documentation is dated August 2020. Council might wish to consider adding a review date to the document which will demonstrate that, in accordance with Proper Practices, the risks are annually reviewed, assessed and appropriate measures are in place to protect public money.</i>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment should focus not only on the safety of the parish council's assets but also its money. Overall, the documentation shows that the parish council is taking action to identify and assess the risks associated with its operation and considered what actions or decisions it needs to take during the year in order to mitigate and manage the risk.
<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>	Yes	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: £10k, and Fidelity Guarantee of £25k. The level of Fidelity Guarantee is within 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. At its meeting of 20 th September 2021, the minutes reflect that the Council reviewed three quotations for insurance services and following a review, Council agreed to accept the quotation for a Parish Protect Policy. Cover was deemed to be in place for all known risks and assets under the Council's remit.
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	No	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 in place to address the risks associated with the management of public finances during the year under review.

⁴ Accounts and Audit Regulations

		<p>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. The adoption of an Internal Control Statement (model templates are available from SALC) would provide the basis for such an assertion. Whilst there is reference within the Risk Assessment Documentation to the banking requirements as per Financial Regulations, Council should consider ensuring that it has a clear procedure for the way in which it operates with regards to the operation of its online accounts and that this is covered within the Internal Control Statement.</p>
<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 appointment⁵</i></p>	<p>No</p>	<p>There is no minute to demonstrate that the effectiveness of internal audit was reviewed during the year. 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 be following guidance and demonstrating 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.</p>
<p>Additional comments</p>		

<p>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</p>	
<p>Evidence</p>	<p>Internal auditor commentary</p>

⁵ Practitioners Guide

<i>Verify that budget has been properly prepared and agreed and clearly minuted</i>	Yes	The budget for the year 2020–2021 in the sum of £6,700 was set at the meeting of 13 th January 2021. <i>Comment: Council is aware that the preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority and for clarity and transparency the level of budget set has been clearly evidenced in the Council's minutes.</i>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £6,700 at the same meeting with the minutes inclusive of the Local Tax Base Grant of £118.00 thereby reducing the precept to £6,582.00
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Council continues with the practice of ensuring that its financial reports submitted at each meeting show current bank balances along with items of expenditure to be approved along with aggregate receipts and payments and variance against budget. The RFO submits comparisons between the budgeted and actual income and expenditure in accordance with the timescales as prescribed under the Council's own Standing Orders.
<i>Reserves held – general and earmarked⁶</i>	Yes	Council's final accounts show general reserves in the sum of £11,073.09 with earmarked reserves at £800.00.
<p>Recommendation: Council is advised 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 held is in accordance with an adopted 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). Council is therefore advised to adopt a General Reserves Policy, review the level of general and earmarked reserves held and provide a justification for the level at which it is currently operating.</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

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

<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 the monthly financial statements submitted to each relevant meeting and the bank statements and found to be in order.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council and included within the RFO's Financial Report as submitted at each relevant meeting.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £6,582.00 during the year under review in April and September 2021. Whilst evidence was provided showing the Precept being discussed and approved at the meeting of 13 th January 2021, the form being served on the Charging Authority to receipt of same in the Council's Bank Account, it should be noted that the Precept form served on the Local Authority shows the total amount received which included the Local Tax Base Grant of £118.00
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	<i>Not applicable</i>	Council did not receive any CIL receipts during the year under review.
<i>Does unspent CIL income form part of earmarked reserves?</i>	<i>Not applicable</i>	Council has no retained CIL balance.
<i>Has an annual report been produced?</i>	<i>Not applicable</i>	Not applicable for the year under review.
Additional comments:		

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 covered</i>	Council does not operate a petty cash system.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

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 st 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>	Yes	Council had 1 employee on its payroll at the period end of 31 st March 2022. Employment contracts were not reviewed during the internal audit which was carried out via remote means.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are authorised by full council.
<i>Minimum wage paid?</i>	Yes	The minimum wage is applied to one employee.
<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 is operated in accordance with HM Revenue and Custom guidelines and outsourced. Cross-checks were completed on payments covering salary and found to be in order. Deductions for PAYE were made in accordance with the specified timescales to HM Revenue and Customs during the year under review.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Evidence was seen to demonstrate that Council is aware of its pension responsibilities and has completed its re-declaration of compliance. <i>Comment: 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>

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

<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	All expenses / payments made are against itemised invoices submitted to and approved by full Council.
Additional comments:		
<p>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.</p>		
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 was reviewed during the Internal Audit Visit for year-end and reflects those items listed within the Parish Council's remit for maintenance and ownership.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	It is noted that the declared value for all assets at year-end (31 st March 2022) is £35,544 (rounded) with listed additions as noticeboard, fencing and plastic pipe.
<i>Are records of deeds, articles, land registry title number available?</i>	Not covered	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	The asset register shows a value of £35,544 which agrees with the value declared on the Draft Accounting Statements for the year ending 31 st March 2022.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Parish Protect Insurance Policy for assets as specified on its register to the value of £50,000.
Additional comments:		
<p>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.</p>		

⁹ Practitioners Guide

Evidence		Internal auditor commentary
<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 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 2022), the balance across the councils accounts stood at £11,873.09 as recorded in the Draft Accounting Statements and on the Year-end Bank Reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Financial reports detailing bank balances are submitted to the Council which also cover a summary of receipts and payments for the year to date. The minutes show that bank reconciliations are received and accepted at each meeting. <i>Comment: Council might wish to record that, in accordance with its Risk Assessment mitigation measures for banking, a monthly and three-monthly bank check has been carried out by a non-signatory councillor. A record of the check should be kept and evidenced that the system is operating in a manner designed to protect public finances recorded by the council, via a minute reference. This not only protects those operating the online banking procedure but will fulfil an internal control measure.</i>
Additional comments:		

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 found to be in order.
<i>Financial trail from records to presented accounts</i>	Partly met	The end of year accounts were adequately presented for the internal auditor review although errors on the AGAR will need to be corrected.

<p><i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i></p>	<p><i>Partly met</i></p>	<p>As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return Form 2. The Exemption Certificate for the year ending 31st March 2022 was signed at the meeting of 11th April 2022. Sections 1 and 2 are still to be approved by full Council. <i>Comment: Council should ensure that all Boxes of Section 2 Accounting Statements are accurately filled and that none are left blank. Currently Box 10 for 2022 has not been completed.</i> Recommendation: prior to submission to full Council, the AGAR should be revisited as it does not cast, and internal transfers should be removed from Box 6. Box 6 should only contain the sums expended in the settlement of Council's debts. Box 6 should be amended to read £5,305.</p>
<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p><i>Not applicable</i></p>	<p>The Parish Council had gross income and expenditure exceeding £25,000 but not exceeding £6.5million and was not able to declare itself exempt from a limited assurance review for the year 20-21.</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><i>No</i></p>	<p>The Internal Auditor has to state that the period for the exercise of public rights for the year under review was not in accordance with Regulation 15 of the Accounts and Audit Regulations 2015. Dates set for the year ending 31st March 2021 were 13th July to 23rd August 2021 which were contrary to legislation in place at that time. Council also failed to approve the AGAR by 1 July 2021. Recommendation: as instructed by the external auditor (see section 13), Council is advised to answer in the negative to Assertion 4 of the Annual Governance Statement as it fail to make proper provision for the exercise of the public rights. Council should ensure that it makes proper provision for the exercise of public rights for the year ending 31st March 2022. As Council has also failed to approve the AGAR and publish it before 1st July 2022, the date as set out by legislation, Council is advised to answer in the negative to Assertion 1 of Section 1 - Annual Governance Statement for 2022.</p>

¹⁰ Annual Governance & Accountability Return (AGAR)

<i>Have the publication requirements been met in accordance with the Regulations?</i> ¹¹	Yes	The Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 for the year ending 31 March 2021 and published the following on a public website: Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Section 3 – External Auditor Report and Certificate of the AGAR Notice of the period for the exercise of public rights Notice of conclusion of audit
Additional comments:		

<p>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.</p>		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	A review of the findings contained within the Annual Audit Report was presented to and considered by full Council at its meetings of 7 th and 19 th July 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Partly met	The following recommendations were contained within the report for the year ending 31 st March 2021 – those in bold are outstanding: 1. Review of treatment of refunds and reclaims 2. Inclusion of online banking within risk assessment documentation 3. Review of internal controls and their effectiveness 4. Ensure Proper Provision for the Exercise of Public Rights for future years
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The minutes of the meeting of 21 st March 2022 confirm the appointment of Suffolk Association of Local Councils as the Internal Auditor for the year ending 31 st March 2022.

¹¹ Accounts and Audit Regulations 2015

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 considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?¹²</i>	Yes	At the meeting of full Council of 15 th November 2021, Council considered the report from the External Auditor for the year ending 31 st March 2021.
<i>Has appropriate action been taken regarding the comments raised?</i>	No	<p>The following matters were raised by the external auditor:</p> <p>“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. 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 period for the exercise of public rights did not include the first 10 working days of July. 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 prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR. The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 2 & 4, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.”</p>

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.*

Recommendation: As the external auditor has given explicit instructions with regards to the exercise of public rights, Council is advised to follow that instruction and answer in the negative to Assertion 4 of the Annual Governance Statement.

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence	<i>Internal auditor commentary</i>	
<i>Was the annual meeting held in accordance with legislation?</i> ¹³ <i>(Note to auditor- emergency Regulations because of the COVID-19 pandemic)</i> ¹⁴	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 4 th May 2021 via the Zoom Videoconferencing Platform. In accordance with the repeal of the Coronavirus Act 2020 legislation all meetings held after 7 th May 2021 were held in person.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁵	Partly met	Council is reminded that minutes become legal once they are approved by the council and should be signed by the chairman of that meeting as an accurate record. Loose leaf minutes are numbered consecutively, and Council should note that they should be signed by the Chair of the meeting on each page in accordance with paragraph 41(2) of Schedule 12 to the Local Government Act 1972. Council's minutes show apologies received, (where applicable), there is no formal record to show that Council has approved the apologies submitted. Recommendation: 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 to ensure that all absences are not merely recorded but approved by the Council

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

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

		<p>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.</p> <p>NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.</p>
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the website of Mid Suffolk District Council for the Register of Interests for all current Parish Councillors. Access can be gained from the Council's website.
<i>Does the Council have any Trustee responsibilities?</i>	None	
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Partly met	<p>Council should be aware that with gross income and expenditure under £25,000 it will be required to follow the Local Government Transparency Code 2014 for smaller authorities. Council should ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (not later than 1 July):</p> <ul style="list-style-type: none"> Internal Audit Report List of Councillors and Responsibilities Items of Expenditure Above £100 including recoverable and non-recoverable VAT End of Year Accounts Annual Governance Statement Asset Register <p>and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014</p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁶</i>	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation. Certificate Z2723896 expiry 12 th June 2022 refers.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	<p>Council has taken steps to ensure compliancy with the requirements and has in place a Data Protection Policy which is limited in detail.</p> <p>Recommendation: Council should consider expanding the policy to cover the framework that the public can expect for the handling of requests from individuals who have the right to know what data is</p>

¹⁶ Data Protection Act 2018

		<p>held on them, why the data is being processed and whether it will be given to any third party and to link this into the Council's Data Retention Policy which details the periods for which documentation will be held, along with the methods of disposal.</p> <p><i>Comment: Council should also consider further policies detailing the procedures to be followed for dealing with subject access; freedom of information requests and procedures for dealing with data breaches. Templates are available from the SALC website.</i></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁷</i></p>	<p>Yes</p>	<p>There is a website accessibility statement available to view on the parish council website which details the technical information for the website are given along with the methods used for testing the website; 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>
<p><i>Does the council have official email addresses for correspondence?¹⁸</i></p>	<p>Yes</p>	<p>Council has a .gov.uk email address which is owned by the Council itself. <i>Comment: in the use of a secure e-mail system with a gov.uk address, Council has recognised that this thereby identifies that it has local government status and demonstrates authenticity when building trust and credibility with the public.</i></p>
<p><i>Is there evidence that electronic files are backed up?</i></p>	<p>Yes</p>	<p>Council has in place a system whereby its files are backed up in an appropriate manner for the protection of its records.</p>
<p><i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i></p>	<p>Not applicable</p>	

Signed: Victoria Waples

Date of Internal Audit Visit: 27.06.22 & 02.07.22

Date of Internal Audit Report: 02.07.22

On behalf of Suffolk Association of Local Councils

¹⁷ Website Accessibility Regulations 2018

¹⁸ Practitioners Guide