

## Internal Audit Report for Shimpling Parish Council for the year ending 31<sup>st</sup> March 2022

Clerk	Natasha Byford
RFO (if different)	
Chairperson	Liz Brunwin
Precept	£ 9,986.44
Income	£ 23,175.76
Expenditure	£ 19,605.27
General reserves	£ 4,655.09
Earmarked reserves	£ 33,668.42
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 the Scribe Accounting System which allows the Responsible Financial Officer (RFO) 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.
<i>Is the arithmetic correct?</i>	Yes	The accounting records were spot checked – they are well maintained, reference the manner in which the payment was made and identify expenditure and income at any given point.
<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	The Council’s Standing Orders as seen on the Council’s website were reviewed at the meeting of 5 <sup>th</sup> May 2021 and are based on the Model Standing Orders produced by NALC in 2020 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 were reviewed at the same meeting, 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	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 to be responsible for the administration of the financial affairs of the relevant authority.
<b>Additional comments:</b> <i>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.</i>		

<p><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.</p>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	At each full Council Meeting a list of all payments is presented to the meeting with formal approval of such expenditure being approved shown in the minutes. <i>Comment: during the year under review, Council was aware of its own Financial Regulation (FR) 5.2 which provides details on the authorisation of payments at meetings and (FR) 6.6 which provides clarity on payments presented for signature other than at a council meeting.</i>

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

Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the Council's own Financial Regulations. The RFO has ensured that the Council has implemented the procedure whereby evidence is retained showing which Councillors authorised the release of the payment.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is clearly identified in the cash book and claimed in accordance with the guidelines for local authorities and similar bodies. The year-end position of £1,744.83 is verified in the cashbooks. Two claims for the period ending 31 <sup>st</sup> March 2021 in the sum of £1,524.69 and £220.14 were settled during the year under review.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	<i>Not applicable</i>	Council does not use 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 and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<b>Additional comments:</b>		

<b>Section 4 – Risk management</b>		
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.		
<b>Evidence</b>	Internal auditor commentary	
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation, as reviewed in May 2021 for the year under review, and as submitted for Internal Audit, provides details of 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>financial and governance risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks.</p> <p><i>Comment: council has considered specific control procedures for payments by bank transfer or other electronic means to ensure that the risks brought about by the ease and speed of such transactions and the difficulties faced in unravelling them should there be errors are mitigated.</i></p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>Council is aware that in general terms risk assessment needs to focus on the safety of the parish council's assets and personnel. Overall there is evidence that 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>	Yes	<p>Council has insurance in place under a Local Councils Policy which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m; Premises Cover for 1 Building, and Fidelity Guarantee of £50k. 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.</p> <p>During the year under review, the minutes record that the RFO carried out an annual review of insurance at renewal with Council approving a new insurance provider at its meeting of 8<sup>th</sup> November 2021.</p> <p><i>Comment: Council has followed its own Financial Regulations along with Proper Practices by carrying out an annual review of the insurance cover provided under policy and confirms that cover is in place for all known risks and assets under the Council's remit.</i></p>
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	Yes	<p>The system of internal control is covered in the Risk Assessment and Financial Management Report for 2021-2022. Formal review of the Internal Control arrangements undertaken at the meeting of 5<sup>th</sup> May 2021. Agreement</p>

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

		<p>was also approved for a Councillor to undertake the Council's Internal Control Report. This was not reported back to the Council by way of a minute reference during the year under review.</p> <p><i>Comment: with reference to the Accounts and Audit Regulations 2015, Council has noted the requirement to have in place safe and efficient arrangements to safeguard public money. Council should take steps to ensure that it whilst it formally reviews its arrangements to protect public money during the coming year, any internal control work carried out during should be reported back to Council and that it minutes that such a review has taken place.</i></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 appointment<sup>5</sup></i></p>	<p><i>Partly met</i></p>	<p>There is no minute to show that Council reviewed the effectiveness of internal audit although there is limited coverage of internal audit in the Council's Risk Assessment and Financial Management Documentation.</p> <p><i>Comment: By reviewing the terms of reference and effectiveness for internal audit, Council would have followed guidance and demonstrated that it recognised 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><b>Additional comments:</b>                  Council is advised to ensure that during the coming year, it references that the Internal Control and Internal Audit reviews mentioned above have taken place.</p>		

<p><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</p>		
<b>Evidence</b>		Internal auditor commentary
<p><i>Verify that budget has been properly prepared and agreed</i></p>	<p>Yes</p>	<p>The budget for the year 2021-2022 in the sum of £12,736.44 was set at the meeting of 9<sup>th</sup> November 2020. A copy of the budget set along with</p>

<sup>5</sup> Practitioners Guide



		monitoring measures undertaken by the Council was seen with the minutes stating that the budget being proposed would represent an increase in the precept of £2.49% (subject to any revisions to the tax base figure).
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £9,986.44 at the same meeting, with the minutes evidencing the amount to be set.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	The minutes show that comparison between budgeted and actual income and expenditure per cost code is contained within the Clerk's report which is circulated to all Councillors before and discussed at each relevant meeting and includes update budgeted tracking figures.
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	<p>Council's final accounts show general reserves in the sum of £4,655.09 and Earmarked Reserves in the sum of £33,668.42 (which contains the CIL Reserve of £1,970.63).</p> <p><i>Comment: Council is aware of 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>In accordance with guidance as issued under the Practitioners Guide 2020, Council adopted a General Reserve Policy at its meeting of 26<sup>th</sup> April 2021, which is used to evidenced that Council has reviewed the level and purpose of reserves held and considered them to be appropriate.</p>
<p><b>Additional comments:</b>  <i>Budget: Council has shown good practice by following the recommended key stages as to the budgetary process for the year:</i></p> <ul style="list-style-type: none"> <li>• <i>decide the form and level of detail of the budget;</i></li> <li>• <i>review the current year budget and spending;</i></li> <li>• <i>determine the cost of spending plans;</i></li> <li>• <i>assess levels of income;</i></li> </ul>		

<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



- *bring together spending and income plans;*
- *provide for contingencies and consider the need for reserves;*
- *approve the budget;*
- *confirm the precept or rates and special levies; and*
- *review progress against the budget regularly throughout the year.*

### 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.

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.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the monthly financial reports submitted by the Clerk.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £9,986.44 during the year under review in April and September 2020. Evidence was provided showing a full audit trail from Precept being signed, 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 £1,970.63 during the year under review.
<i>Is CIL income reported to the council?</i>	Yes	The CIL payment received was reported within the detailed financial reports submitted by the RFO to Council at each relevant meeting.
<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 £1,970.63 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	Council has approved the Annual CIL Statement showing retained balances.

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

<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>		

<b>Section 7 – petty cash</b>		
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.		
<b>Evidence</b>	Internal auditor commentary	
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	A petty cash system is not operated by the parish council.
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
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.		
<b>Evidence</b>	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 <sup>st</sup> 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 not applied to the Council 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	The payroll function is operated in accordance with HM Revenue and Custom guidelines and outsourced. 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	Cross-checks were completed on payments covering salary and found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made within the required timescales.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	The minutes of 26 <sup>th</sup> April 2021 state that the Council approved that it has complied with its duties as an employer with regards to automatic enrolment and that it had completed and submitted a declaration of compliance to the Pension Regulator.
<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 the Finance full Council.  <i>Comment: 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.</i>
<b>Additional comments:</b>		

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

<sup>8</sup> The Pension Regulator – [website click here](#)

<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 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 <sup>st</sup> March 2022) is £391,915 is the insurance value for all assets effective 31 <sup>st</sup> March 2022.  <i>Comment: Where assets have been gifted or where there is no known value, assets have been given the proxy value of £1. This value has also been applied to a number of Community Assets, which, in accordance with guidance, are treated in the same manner as gifted assets.</i>
<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 £391,915, which agrees with the value declared on the Draft Accounting Statements for the year ending 31 <sup>st</sup> March 2022.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Local Council Policy with BHIB with cover for assets per category as specified on its 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
<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 relevant meeting.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 <sup>st</sup> March 2022), the balance across the councils accounts stood at £36,892.71

<sup>9</sup> Practitioners Guide

		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	Financial reports detailing bank balances are submitted to the Council which also cover a summary of receipts and payments for the year to date.
<p><b>Additional comments:</b>                  Council has appointed a system, as evidence of good financial practice, of the bank reconciliations being verified by a Councillor which not only safeguards the Responsible Financial Officer but also fulfils an internal control objective</p>		

<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis.
<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 AGAR<sup>10</sup> documents been completed?</i>	Yes	<p>As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete AGAR Form 2.</p> <p>The Certificate of Exemption and Section 2 - Accounting Statements of the AGAR were completed and submitted as Draft Documents at the time of Internal Audit.</p> <p><b>Recommendation: for both years 2021 and 2022 the RFO has inserted £0 for Box 8. As per the written advice given on the AGAR, Box 8 is the sum of all current and deposit accounts including short term investments and must agree with the bank reconciliation. Council should therefore ensure that the figures for Box 8 are inserted (2021</b></p>

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

		<p><b>= 32,782, 2022 = 36,892). The error can be found in Box 6 – Council should also ensure that the sum of Box 4 and Box 6 equals that shown in the Expenditure Totals for the Exemption Certificate.</b></p> <p>Council should also note that the AGAR does not cast as there is a £1 rounding error.</p>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	<i>Not applicable</i>	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review for the year ending 31 <sup>st</sup> March 2021.
<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 can demonstrate that it correctly provided for the exercise of public rights as required by the 2015 Regulations. Dates set were from 14 <sup>th</sup> June to 23 <sup>rd</sup> July 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 as the following information was published on a publicly accessible 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>		

<p><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.</p>	
<b>Evidence</b>	<i>Internal auditor commentary</i>

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

<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report was considered by full Council at its meeting of 26 <sup>th</sup> April 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The following matters were brought to the Council's attention within the written report submitted and approval was given for the recommendations to be acted upon by means of an audit plan which was signed off at the meeting of 12 <sup>th</sup> July 2021: <ol style="list-style-type: none"> <li>1. Removal of sections in FR if not relevant</li> <li>2. Recording of evidence of compliance with its pension duties as an employer with the Pension Regulator</li> <li>3. Completion of the AGAR with regards to all boxes</li> <li>4. Findings of the Internal Audit to be reported to full Council along with an audit plan to address issues raised</li> <li>5. Compliance with GDPR</li> <li>6. Publication of a Website Accessibility Statement</li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of SALC as the Council's internal auditor was discussed at the meeting at which the internal audit was considered with formal approval of the appointment forthcoming at the meeting of 5 <sup>th</sup> May 2021.  <i>Comment: is has been confirmed that the minutes contain an error in the year for which the appointment was being made.</i>
<b>Additional comments:</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?</i> <sup>12</sup>	Yes	At the meeting of full Council of 13 <sup>th</sup> September 2021, Council considered the report from the External Auditor for the year ending 31 <sup>st</sup> March 2021. The minutes record that 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.
<i>Has appropriate action been taken regarding the comments raised?</i>	Not applicable	The External Audit Certificate notes that “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”
<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 5 <sup>th</sup> May 2021 via the Zoom Videoconferencing platform. 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>	Partly met	Council is reminded that minutes become legal once they are approved by the council and signed by the chair of that meeting as an accurate record. Loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page.

<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.

<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

		<p><i>Comment: Council should be mindful of its own Standing Order 12 on the treatment of Draft Minutes as the minutes on the Council's website are still showing the DRAFT minutes.</i></p> <p>Whilst the minutes show the receipt of apologies for absence (where applicable), there is no formal record to show that Council has approved the apologies submitted.</p> <p><b>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."</b> Council is advised 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. 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	The Register of Interests for all current Parish Councillors was seen on the Council's website.
<i>Does the Council have any Trustee responsibilities??</i>	Not applicable	
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	<p>For the current year under review, 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"> <li>Internal Audit Report</li> <li>List of Councillors and Responsibilities</li> <li>Items of Expenditure Above £100 including recoverable and non-recoverable VAT</li> <li>End of Year Accounts</li> </ul>

		Annual Governance Statement Asset Register 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.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>	Yes	The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: ZA174927 expiry 3 <sup>rd</sup> April 2023.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	As identified in the previous year's audit, Council has taken steps during the year under review to ensure compliancy and has shown good practice by adopting 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.  <i>Comment: to complement the documents approved, Council should consider adopting a Subject Access Policy and Data Retention Policy which will detail 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 and the period of retention for Council's data.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Yes	The website accessibility statement seen on the Council operated website details 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.
<i>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Yes	It is understood that the Council has its own email address which is owned by the parish council and not connected to a personal email account.  <i>Comment: Council might wish to consider using a secure e-mail system with a gov.uk address which is owned by the parish council (section 5.16 of the Practitioners' Guide to Proper Practices – March 2021).</i>

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

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

<sup>18</sup> Practitioners Guide

<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>	<i>Not applicable</i>	Council does not operate a committee structure.
<b><i>Additional comments:</i></b>		

Signed:

Date of Internal Audit Visit: 21.04.22 & 23.04.22

Date of Internal Audit Report: 23.04.22

On behalf of Suffolk Association of Local Councils