

Internal Audit Report for Brantham for the period ending 31 March 2023

Clerk	Sarah Keys
RFO (if different)	-
Chairperson	Alastair McCraw
Precept	£53,728.00
Income	£90,501.33
Expenditure	£111,327.54
General reserves	£NIL
Earmarked reserves	£98,440.62
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 2022/23 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		Internal auditor commentary
Is the ledger maintained and up to date?	Yes	The Council uses the Scribe Accounting Financial Package which is a purpose-built accounting system for town and parish councils and is able to produce reports on an Income and Expenditure basis.
Is the cash book up to date and regularly verified?	Yes	Council follows Proper Practices in ensuring that its accounting procedure gives a more accurate presentation of an authority's true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance and the Responsible Financial Officer (RFO) has used the full suite of accounting and reporting tools associated with the package to produce clear financial management information to the Council on both a monthly and annual basis.
Is the arithmetic correct?	Yes	Spot checks were made and were found to be correct. Cash books are reconciled on a monthly basis. <i>Comment: The RFO shows best practise by ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>
Additional comments:		

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		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Standing Orders, as seen on the Parish Council's website shows an adopted date of 25 th January 2023, are based on the latest model published

		by the National Association of Local Councils (2018) and contain the provisions of the Model Councillor Code of Conduct as adopted by the Council. The Standing Orders are compliant with legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council. <i>Comment: Council is aware of the requirement to ensure that the SOs are fully tailored to the council and that in accordance with proper practices they need to be regularly reviewed, fit for purpose and adhered to.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), as seen on the Council's website show a review date of 25 th January 2023 and are based on the NALC Model Financial Regulations 2019 with provisions included as outlined under LTN 87 - Procurement – March 2022. <i>Comment: at the next annual review, Council might wish to also review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 and make the changes to the contract value limits from £25,000 to £30,000 for non-central government authorities. The contract value limits are to be calculated inclusive of VAT (effective from 1st January 2022).</i>
Has the Council properly tailored the Financial Regulations?	Partly met	The Council's Financial Regulations have in part been tailored to the Parish Council. Recommendation: at the next annual review is advised to ensure that its Financial Regulations are tailored to the Council by completing the sections within the [square] brackets and ensuring that all values are appropriate to the Council in terms of procurement and budgets.
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 (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. This was reconfirmed by full Council at its meeting 4 th May 2022.
Additional comments:		

¹ Section 151 Local Government Act 1972 (d)

Section 3 – Payment controls

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.

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. A further spot check of items paid via the Debit Card/Direct Debit system from the Council's Accounts was also cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved. <i>Comment: The Parish Council shows good practice by ensuring that Standing Order Payments and Direct Debits incurred for the month are submitted to full council in accordance with Council's Own Standing Orders and Financial Regulations.</i>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's contractual duties in relation to the employment of staff and associated costs. The Internal Control Statement details the procedure to be followed for such payments.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book and the reclaims for the periods 1 st April to 30 th November 2022 in the sum of £5,797.96 and 1 st December 2022 to 28 th February 2023 in the sum of £2,226.12 were seen and verified on the Council operated financial system. The year-end balance stands at £2,222.42.

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	The Internal Audit report for the year ending 31 st March 2022 confirms that the council has confirmed eligibility criteria to enable it to exercise the General Power of Competency and adopted the same at its meeting on 7 th May 2019.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
Additional comments:		

Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the Finance Committee at its meeting of 8 th January 2023.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.

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 £8.82 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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 specialist policy for local councils with Ansvar Insurance which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million and Fidelity Guarantee of £250thousand. Insurance cover is also in place for the Village Hall and the Club House buildings and contents under separate policies. <i>Comment: Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May.</i></p> <p>During the year, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, annual reviews of the Council's insurance were undertaken prior to renewal. The minutes of 5th October 2022 evidence that such a review has been undertaken. <i>Comment: Council has ensured that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁴</i></p>	<p>Yes</p>	<p>At the meeting of the Finance Committee of 8th January 2023, Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015 confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances.</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>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting at which the independent internal auditor was appointed for the year under review.</p>
<p>Additional comments:</p>		

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

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
Verify that budget has been properly prepared and agreed	Partly met	<p>The Finance Committee, at its meeting of 26th January 2022, agreed to recommend for approval a revenue budget in the sum of £67,299 to be funded by the precept and known income streams. Whilst the minutes of the meeting state that the updated draft should be presented to the Council for agreement at the next meeting, it is unclear from the minutes of the Full Council that this recommendation was carried forward. The minutes of 9th February 2022 of the Council merely state that the Finance Committee had “Reviewed and approved the final version of the budget for 2022-23” & “o Reviewed and approved the BPC precept request for 2022-23”.</p> <p>Recommendation: Council should be aware that the preparation of the annual budget is one of the key statutory tasks to be undertaken by an authority and should ensure that it is full Council, not a committee, that considers, approves and adopts the budget for the coming year.</p> <p><i>Comment: for clarity and transparency Council is advised to ensure that the minutes show the actual figures being approved so that there is clarity on the budget, precept and implications for Band D Council Tax.</i></p>
Verify that the precept amount has been agreed in full Council and clearly minuted	Partly met	<p>As stated above, the Finance Committee at its meeting of 26th January 2022, approved a precept to be levied on Babergh District Council in the sum of £53,728. There is no corresponding recommendation that the precept being set was approved by full Council.</p> <p>Recommendation: Council should ensure that it is the full Authority, and not a committee, that has considered, approved and adopted the annual precept for the coming year.</p>
Regular reporting of expenditure and variances from budget	Yes	<p>A review of the budget including detailed income and expenditure position is reported to the Finance Committee in accordance with Council’s own Standing Orders. Evidence was seen of budget report to actual with committed expenditure and funds available breakdown. At the monthly</p>

		meetings, the RFO provides expenditure breakdown by heading to full Council which ensures detailed information is received for currently funded projects.
<i>Reserves held – general and earmarked⁶</i>	Yes	The Council, as at year-end had overall reserves totalling £98,440.62 of which £19,218 were Restricted Reserves (CIL) with the balance being Earmarked Reserves. <i>Comment: in accordance with the recommendation made in the internal audit report for the year ending 31st March 2022, Council adopted a General Reserves Policy which would assist Council in determining the level of reserves that are appropriate to the Council given its size, situations, risks and budget thereby ensuring that an adopted level is maintained.</i>
Additional comments: in the main, Council has followed the recommended key stages as to the budgetary process for the year: decide the form and level of detail of the budget; review the current year budget and spending; determine the cost of spending plans; assess levels of income; 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 and recorded in accordance with Proper Practices. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the financial reports submitted to full Council.

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>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £53,728 from Babergh District Council for the period under review 2022 as reported to full Council within its Financial Reports at its meetings in April and September 2022. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	During the year under review, Council received CIL receipts totalling £17,482.28. The RFO has created an Earmarked Reserve for retained CIL balances.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported to full Council within the financial reports submitted to full Council.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The Draft CIL annual report for 2022/2023 shows that there is a retained balance of £19,218.42 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	The Annual CIL Statement was due to be presented to full Council for approval at its meeting scheduled for 5 th April 2023, the draft minutes of which are not yet available to view.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year 2022 - 2023 has been uploaded onto the Council's website although it is unsigned.
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>	N/A	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	

⁷ Community Infrastructure Levy Regulations 2010

Additional comments:

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. 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 3 employees on its payroll at the period end of 31 st March 2023. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	Under the Terms of Reference adopted by full Council, all salary payments are presented to the Finance Committee for approval. Once approval is forthcoming, salary payments are made online by the RFO from a specific salaries bank account on the first day of the month, in accordance with Council's own Financial Regulation (FR) 7.6. The minutes of the Council meeting of 1 st June 2022, confirm that the Council approved the recommendation from the Finance Committee to increase the Clerk/RFO's hours with a review every three months. <i>Comment: at the meeting of 6th July 2022, delegated authority was given to the Finance Committee to approve future amendments to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council. FR 7.3 and the Committee's Terms of Reference have been so updated.</i>
<i>Minimum wage paid?</i>	Yes	Two employees are paid at least the national minimum wage.
<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 and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on three payments

		covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities and payments are made in accordance with timescales agreed with the Council's Pension Provider. <i>Comment: Council is advised 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 Council's must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance. If the Council last carried out its re-enrolment duties in 2019, it should ensure that it is aware of its re-enrolment duties and comply with the deadlines as stated in communications from the Pension Regulator.</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all staff expenses claimed are approved in accordance with Council's Financial Regulations. It is also noted that the fixed monthly sum contributed by the Council to the Clerk for the use of their personal mobile phone on Council business is now paid through the payroll system in accordance with guidance as issued by HM Revenue and Customs. The RFO is aware of the guidance as issued in the Practitioners Guide for 2022 on the treatment of what can be included as employment expenses and submitted within Box 4 of the Annual Governance and Accountability Guide - section 2.16 refers.
Additional comments:		
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

⁸ 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?⁹</i>	Yes	The Asset Register, as viewed on the Council's website, and as approved at the meeting of the Finance Committee on 29 th March 2023, was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2023) is £573,940.02 which reflects overall movement in the asset register of £576 to that declared as the balance brought forward as at 1 st April 2022.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2022 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. <i>Comment: if Council has undertaken a review of its assets in terms of items and/or value which has resulted in a significant variation, to ensure that there is consistency in the approach being applied from year to year, it will need to publish and provide explanations in changes in value to any previously recorded assets.</i>
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	Whilst the asset register is still to be signed off by the council, it should be noted that the values submitted on the Draft Annual Governance and Accountability Return for Internal Audit show an asset value of £584,944. This differs from that which was approved by the Finance Committee at its meeting of 29 th March 2023 and should be reviewed to ensure that it accurately reflects items that have been purchased from the Council's revenue budget or disposed of. Recommendation: Council is advised to review the values stated above ensuring that the brought forward balance of £573,499 (as shown on the register) mirrors the declared value on the audited accounts for the year ending 31st March 2022 (£571,905).

⁹ Practitioners Guide

<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets to the value of £173,700.
Additional comments:		

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 are completed on a regular basis and reconcile with the cash sheets.
<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 2023) the balance across the councils accounts stood at £94,440.62 as recorded in the Draft 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 at each meeting of full Council. In accordance with Council's Internal Control Statement, a Councillor is appointed to have responsibility for bank reconciliation checks. The minutes of Full Council meetings, demonstrate that such a review has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.
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 were found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	There is a full audit trail from records to presented accounts.

<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Not applicable	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.
<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	During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2021-2022, the Council correctly provided for the exercise of elector's rights during Summer 2022. The RFO had set the dates for the inspection of the Council's accounts and associated documents as 1 st July to 11 th August 2022 with the date of the notice being 30 th June 2022.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council did comply with the requirements of the Accounts and Audit Regulations 2015 for the year ending 31 st March 2022 as it published the following on its website: Annual Internal Audit Section 1 - Annual Governance Statement Section 2 - Accounting Statements Section 3 - The External Auditor Report and Certificate Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015. <i>Comment: Council might wish to note that there is a requirement to ensure that Sections 1, 2 and 3 are published and remain available for public access for a period of not less than 5 years from the date of publication.</i>
Additional comments:		
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.		

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

Evidence		Internal auditor commentary
<i>Has the Council considered the previous internal audit report?</i>	Yes	<p>The Internal Audit Report for the period ending 31st March 2022 was formally considered by the Finance Committee at its meeting of 22nd June 2022 with formal approval for adoption at the meeting of full Council of 6th July 2022. The RFO was authorised to conduct necessary actions in accordance with the recommendations raised within the report which was monitored</p> <p>The following recommendations as raised in the internal audit report for the period ending 31st March 2022, having been considered by the Finance Committee with approval for their implementation by full Council, have been / are in the process of being implemented:</p> <ol style="list-style-type: none"> 1. Review of Fidelity Guarantee to cover recommended guidelines for cover. 2. Adoption of a General Reserve Policy as recommended under the Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices March 2022. 3. Review of Box 4 and Box 6 of the AGAR. 4. Review of dates for the period of the exercise of public rights. 5. Adoption of policies to cover Data Breaches and Subject Access Requests. 6. Review of Council's Document Retention Policy.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	<p>Council is also taking action to address further comments that were raised within the internal audit report for the year ending 31st March 2022, none of which have a significant impact on the financial management of the council.</p> <p><i>Comment: Council has understood the requirement to ensure that, having received a narrative internal audit report, it should minute its review of the work carried out and agree actions planned from the outcomes identified.</i></p>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	<p>SALC were appointed as the Council's internal auditors for the year ending 31st March 2023 by the Finance Committee at its meeting of 24th August 2022 which was noted by full Council at the meeting of 7th September 2022.</p> <p><i>Comment: Council has understood the requirement to ensure that it has a clear understanding of the roles and responsibilities for internal audit, audit</i></p>

		<i>planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i>
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 5 th October 2022, Council considered the report from the External Auditor for the year ending 31 st March 2022.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	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.
Additional comments:		
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?¹³</i>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 4 th May 2022 in accordance with legislation in place at that time.

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)

<p><i>Is there evidence that Minutes are administered in accordance with legislation? ¹⁴</i></p>	<p><i>Partly met</i></p>	<p>Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.</p> <p>Whilst the minutes show apologies noted (where applicable), it is not always apparent as to whether the Council formally recorded that it has approved the apologies submitted.</p> <p>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 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> <p>Within the minutes there are a number of items that have been discussed “in camera” where a resolution has been taken to exclude members of the public. The reasons for such a resolution are not shown within the minutes nor is there any corresponding minute to show the decisions taken or the resolutions made for those items discussed.</p> <p>Recommendation: Council should note that the resolutions that are made at the meetings when the public are not in attendance should still be recorded in the minutes for the meeting. However the wording of these resolutions should not disclose or otherwise reveal the confidential information or other sensitive information that is in the public interest. All minutes including resolutions made at a meeting</p>
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¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		without the public present must be kept in the council's minute book and made available via the council's publication scheme. Any confidential papers provided to enable such resolutions or decisions to be made should be kept in a separate file from the approved minutes.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the District Authority's website the Register of Interests for all current Parish Councillors with a direct link from the Council's own website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	None held	Council does not have any Trustee Responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	In progress	<p>Council has taken the decision to work towards ensuring compliancy with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), and the Clerk is in the process of updating the Council's website with the following information in accordance with the required timescales:</p> <p>Publication quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000.</p> <p>Publication annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart</p> <p><i>Comment: whilst this Code applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,000, Councils with income over £25,000 but under £200,000 are expected (but are not legally required to do so) to follow its recommendations.</i></p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	Yes	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a number of GDPR Policies during the year that provides clear responsibilities and obligations of the Council in respect

¹⁵ Data Protection Act 2018

		of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. <i>Comment: The Privacy Policy on the Parish Council's website covers the framework that the public can expect for dealing with 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>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, along with a website accessibility statement on the Council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council operates with a .co.uk email address for the Clerk and Councillors, thereby complying with GDPR and demonstrating that the council has an official status thereby building trust, credibility and authenticity. <i>Comment: for the purposes of user management, Council has ensured that the Proper Officer can add and remove member and staff email accounts.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council continues with its system whereby a back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Council reviewed the terms of reference for its standing committees at the meeting of 4 th May 2022 along with appointments to the committees and representatives to outside bodies. At the meeting of 6 th July 2022, Council further agreed to amend the terms of reference for the Finance Committee to allow it to approve changes to any employee's pay, emoluments, or terms and conditions of employment.
Additional comments:		

Signed: *V S Waples*

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

Date of Internal Audit Review: 17/04/2023 & 20/04/2023

Date of Internal Audit Report: 20/04/2023

On behalf of Suffolk Association of Local Councils