

Internal Audit Report for Bradfield Combust with Stanningfield Parish Council for the year ended 31st March 2022

Clerk	Nicola Gladding
RFO (if different)	
Chairperson	David Staff
Precept	£ 13,528.00
Income	£ 37,802.91
Expenditure	£ 30,516.84
General reserves	£ 9,218.52
Earmarked reserves	£ 15,000.00
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. The cashbook is reconciled on a monthly basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were carried out and the functionality of the cashbook was found to be in order, but the following is noted: the RFO has allocated the Local Tax Base Grant of £164.00 within the column headed Precept. <i>Comment: this error should be corrected as it will impact on the Accounting Statements as produced – Box 2 and 3 of the Annual Governance and Accountability Return.</i>
<i>Additional comments:</i>		

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 reviewed its Standing Orders at its meeting of 31 st January 2022, a copy of which can be found on the Council's website.

		Recommendation: Council is advised to consider adopting the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013. Legal Document L04-18 2018 Model Standing Orders refers.
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 are based on the Model Standing Orders produced by NALC in 2019 with a review date of 19 th January 2021.
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have not been tailored to the Parish Council. Recommendation: Council should ensure that its Financial Regulations are tailored to the parish council by removing the [square] sections as this creates confusion as to the intention well as those which no longer apply.
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 confirmed at its meeting of 3 rd May 2021, that the Clerk is the appointed person to be responsible for the administration of the financial affairs of the relevant authority.
Additional comments: Council is aware of the amendments to the thresholds for procuring contracts as advised under LTN87 (as produced by NALC). The amended values will be incorporated into the Council's Standing Orders and Financial Regulations at the next annual review.		

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

¹ Section 151 Local Government Act 1972 (d)

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 shown in the minutes and evidence of such paperwork in the files submitted for internal audit. Payments made away from the meeting are also brought back to full Council as retrospective payments and approved at the next meeting. It is however noted that a number of invoices have not been made out in the name of the parish council but are settlement of items paid for by Councillors. <i>Comment: see below under VAT.</i>
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council.
Is VAT correctly identified, recorded, and claimed within time limits?	<i>Partly met</i>	VAT is clearly identified in the ledger book and claimed in accordance with the timescales for local authorities and similar bodies. At year-end, the VAT position is stated as £3,490.26 which is verified against the cashbook. The claim for the period ending 31 st March 2021 in the sum of £1,682.16 was reclaimed during the year and settled in November 2021. <i>Comment: in accordance with legislation, Council should note that in order to be able to recover the VAT it has incurred on its non-business activities it must have placed the order, received the supply, received a tax invoice addressed to the parish council and paid the invoice direct from its own funds.</i>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	Council confirmed its eligibility to adopt the General Power of Competence at a meeting of 3 rd May 2021.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	<i>Not applicable</i>	The Council was able to use the General Power of Competence to incur expenditure that in its opinion is in the interests of and will bring benefit to its area and any of it or all of some of its inhabitants.

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.

Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	The Council has no such loans.
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>	<i>Yes</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. The Risk Assessment for the year under review along was adopted by full Council at its meeting of 31 st January 2022.
<i>Is there evidence that risks are being identified and managed?</i>	<i>Yes</i>	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that 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.
<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>	<i>Partly met</i>	Council has insurance in place under a Local Councils and not for profit organisations Policy with Hiscox which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m; Business Interruption and Fidelity Guarantee of £100k. Village Hall insurance as provided by under a Village Guard Policy from Allied Westminster was also reviewed during the internal audit review. <i>Comment: Council is operating within the recommended guidelines which state that the level of Fidelity Guarantee should be at least the sum of the year-end balances plus 50% of the precept/grant being received in April of the following year.</i>

		<p>Whilst Council agreed to accept the insurance renewal premiums at relevant meetings, there is no minute to show that Council carried out an annual review of its insurance.</p> <p>Recommendation: as this is an outstanding audit point from the internal audit review of 2021, Council should note that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, have been taken to mitigate and manage the risk. This should be evidenced by a minute reference.</p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁴</i></p>	<p>Yes</p>	<p>The Council's internal control measures are contained within its Internal Control Statement which was presented to and adopted by full Council at its meeting of 9th May 2022.</p> <p><i>Comment: Council is advised to ensure that a review of the internal controls is carried out and adopted within the year under review so that it may be used to inform the Council's response to the Annual Governance Statements for that particular year.</i></p> <p>The interim review of the council's internal controls were carried out in May 2022 and reported at the same meeting.</p> <p><i>Comment: In accordance with the Accounts and Audit Regulations 2015, Council is aware that it should formally review the effectiveness of its system of internal control to ensure that it has mitigation measures on place to address the risks associated with the management of public finances.</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 appointment⁵</i></p>	<p>Yes</p>	<p>The effectiveness of internal audit was reviewed and adopted by full Council at its meeting of 9th May 2022 as contained within the Internal Control Statement. By reviewing the terms of reference and effectiveness for internal audit, the council has followed guidance and demonstrated that it recognises that the function of internal audit is to test and report to the authority on whether its system of internal control is adequate.</p>

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

		<i>Comment: as stated above Council is advised to ensure that this is covered within the year under review.</i>
Additional comments:		

Section 5 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021-2022 in the sum of £14,159.00 was approved at the Council meeting of 23 rd November 2020 with a copy appended to the minutes.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £13,528 for 2021/2022, as confirmed at the above meeting, with the minutes demonstrating that this was a 2% increase (£1.20) per Band D property, as compared to the previous year. The workings as submitted to the meeting also demonstrates that Council was aware that it would be receiving a Local Council Tax Grant of £164 for 2021-2022 only.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Statements summarizing the Council's receipts and payments and aggregate receipts and payments for the year to date and considered by the Council. The reports provide evidence of comparisons between budgeted and actual income and expenditure and form the basis of approval for virements in accordance with Council's own Financial Regulations.
<i>Reserves held – general and earmarked⁶</i>	Yes	Council's final accounts show general reserves in the sum of £9,218.52 with earmarked reserves in the sum of £15,000. <i>Comment: Council might wish to note guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general</i>

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>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>
Additional comments: <i>by following the recommended key stages as to the budgetary process, as well as monitoring actual performance against budget during the year, the Council has demonstrated that it understands and follows best practice and is suitably placed to take corrective action where necessary.</i>		

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.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council and included within the Council’s Financial Statements as submitted at each relevant meeting. The RFO ensures that monies received are promptly banked. During the year under review, Council received grants for works to the Village Hall. <i>Comment: as this has caused a significant variance, Council will need to include this within the explanations to the External Auditor.</i>
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Yes	The council received precept of £13,528.00 during the year under review in April 2021. Evidence was provided showing a full audit trail from Precept being discussed, form signed and 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?⁷</i>	Not applicable	There were no CIL receipts received during the year under review as West Suffolk does not operate such a scheme.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

Section 7 – petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	None held by the Parish Council
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. 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. The minutes of 14 th March 2022 confirm Council's approval to implement the new rates of pay applicable from 1 April 2021 as noted in the 2021-2022 NJC Pay Award.
<i>Minimum wage paid?</i>	No	The minimum wage is not paid to the Council's 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 for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced to SALC. Cross-

		checks were completed on selective payments covering salary and found to be in order. There were no deductions due to be paid 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	The Internal Audit report for the year ending 31 st March 2021 states that the Council is aware of their pension responsibilities and that no pension was required by the current member of staff. It is uncertain as to whether Council has completed a re-declaration of compliance with regards to automatic enrolment duties as required through the Pension Regulator. <i>Comment: Council should 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 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	Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR. All expenses / payments made are against itemised invoices submitted to and approved by the Finance full Council.
Additional comments:		

<p>Section 9 – Asset control</p> <p>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>
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⁸ The Pension Regulator – [website click here](#)

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 under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2022) is £624,437 reflecting an uplift to that declared in 2021 of £493,466). Acquisitions in the year total £675.00
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2021 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied. As identified within the internal audit for the year ending 31 st March 2021, the Village Hall has been stated within the asset register as an insurance value rather than a purchase cost. This has accounted for the significant uplift in the Council's asset register. <i>Comment: Where amendments to values have been made, Council is reminded that it will need to include an explanation in the change to previously recorded assets within the Supporting Statements to the Accounts. Council is also advised to revisit the comment made within the internal audit report of 31st March 2021 – see section 12 below.</i>
<i>Are records of deeds, articles, land registry title number available?</i>	Not seen	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 at its meeting scheduled for June 2022, the figure of £624,437 reflects the figure declared on the Accounting Statements of the AGAR which is still to be approved by full Council.
<i>Cross checking of insurance cover</i>	Yes	Council has all risk insurance with Hiscox for assets in accordance with the categories and values listed under its insurance schedule.
Additional comments: Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities on the valuation of its assets which requires authorities to apply a reasonable approach to asset valuation which is consistent from year to year. Where the method asset valuation is changed during the financial year, Council will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Guide.		

⁹ Practitioners Guide

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	Evidence was seen showing that bank reconciliations were completed during the year and reconcile with the cash sheets. Overall there is 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 st March 2022), the balance across the councils accounts stood at £24,218.52 as recorded in the Statement of Accounts and Accounting Statements.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	The minutes show that bank reconciliations are received and accepted at each meeting. According to the Internal Control Statement, bank statements are independently reviewed.
Additional comments: Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities. The council has understood that the bank statements are evidence provided by an independent party as to the state of the council's cash balances thereby allowing the RFO to ensure that any errors or omission in processing transactions are acted upon in a timely manner. Council has appointed a Councillor to independently review the bank reconciliation. This is not only to protect the RFO but also fulfils an internal control function.		

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>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review.

<p><i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i></p>	<p>Yes</p>	<p>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>Comment: it is noted that the AGAR does not cast as there is a £1 rounding error.</i> Recommendation: prior to submission to full Council and the External Auditor, the AGAR should be revisited, and amendments made to BOX 2 and Box 3. Box 2 should only contain the sums received as part of the Precept and not the Tax Grant received from West Suffolk for the year ending 31st March 2022. This latter sum should be included in Box 3 – Other Receipts.</p>
<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Partly met</p>	<p>As the Parish Council had gross income and expenditure not exceeding £25,000 it was able to declare itself exempt from a limited assurance review. Council signed the Certificate of Exemption at its meeting of 7th June 2021 but there is no minute reference confirming that having considered the eligibility to certify itself, it could apply for an exemption to a limited assurance review.</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>Yes</p>	<p>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 1st July to 11th August 2021.</p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>Partly met</p>	<p>The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31 March 2021 and published the following on a public website: those in bold have not been published: Certificate of Exemption The Annual Internal Audit Report of the AGAR Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Analysis of variances</p>

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

		<p>Bank reconciliation Notice of the period for the exercise of public rights</p>
<p>Additional comments: for the year ending 31st March 2022, Council should be aware that for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million the following should be published on a public website in accordance with the relevant timescales: 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 and Notice of the conclusion of audit.</p>		

<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>	No	There is no minute reference to show that Council considered the internal audit report for the year ending 31 st March 2021 or agreed an audit plan to take appropriate action of the weaknesses identified.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	No	<p>The following recommendations were made within the internal audit report:</p> <ol style="list-style-type: none"> 1. Minute reference for the annual review of insurance 2. Restate the purchase cost of the village hall and re-state the total asset register value. To have a separate column within the asset register for insurance valuation which can have an increasing cost each year for insurance purposes. 3. Minute reference to confirm the appointment of the internal auditor. 4. Implement procedures for dealing with data breaches. <p><i>Comment: As the internal audit report identified areas for development, Council should ensure that it produces an action plan with proposed remedial actions and that the plan identifies the people responsible for delivering improvement and the deadlines for completion of the actions.</i></p>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	SALC were appointed as the Council’s internal auditors for the year ending 31 st March 2022 at the meeting of 3 rd May 2021.
<p>Recommendation: Council should evidence via a minute reference that the Council has received the report from the Internal Auditor and has produced an action plan to address the issues raised within the audit and decide what action it needs to take to prevent</p>		

recurrence of the issues raised. Internal audit reports should inform the council’s response to Assertions 2 and 6 of the Annual Governance Statement.

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		Internal auditor commentary
Has the Council considered the previous external audit report? ¹²	Not applicable	Council was not subject to a limited assurance review.
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		Internal auditor commentary
Was the annual meeting held in accordance with legislation? ¹³ (Note to auditor- emergency Regulations because of the COVID-19 pandemic) ¹⁴	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 3 rd 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.

¹² Regulation 20 Accounts and Audit Regulations 2015 – following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.

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

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

<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁵	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.
<i>Is there a list of members' interests held?</i>	Not seen	Evidence seen of a direct link from the Parish Council's website to the District Authority's website for the Register of Interests for all current Parish Councillors.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	Not applicable	Council has no such responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Partly met	For the year ending 31 st March 2021, Council should be aware that with gross income and expenditure under £25,000 it is required to follow the Local Government Transparency Code 2014 for smaller authorities. The following should have been published on a public website in accordance with the dates prescribed by the relevant regulations (not later than 1 July): 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 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>Comment: Councils with income over £25,000 but under £200,00 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000).</i>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> ¹⁶	Yes	The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: Z2743993 expiry 21 August 2022.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Partly met	As identified in the previous year's audit, Council is taking steps to ensure compliancy. A range of documents were able to view on the website

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

¹⁶ Data Protection Act 2018

		<p>detailing the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.</p> <p><i>Comment: Council's Data Protection Policy states that requests for information held on a data subject will be handled in accordance with BC&S's Subject Access Request (SAR) Policy. It is recommended that this policy be uploaded to the website to provide clarity as to the manner in which such requests will be handled. Council is also advised to adopt a Data Retention Policy which will detail the periods for which documentation will be held along with the methods of disposal. It is also good practice to adopt an impact assessment policy which will allow an audit to be carried out on the occasion of the adoption of a new policy which potential GDPR implications.</i></p>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁷</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?¹⁸</i>	Yes	Council has its own email address which is used by the parish council and does not appear to be 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>
<i>Is there evidence that electronic files are backed up?</i>	Assumed	It is presumed that the council's files are regularly backed up and held in a suitable manner.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Not applicable	Council does not operate a committee structure.
<p>Additional comments: <i>Transparency Code 2015 - To ensure full compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), the following information should be published in accordance with the required timescales:</i></p>		

¹⁷ Website Accessibility Regulations 2018

¹⁸ Practitioners Guide

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;
annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisation Chart.

Signed: V S Waples

Date of Internal Audit Visit: 09.05.2022 & 31.05.2022

Date of Internal Audit Report: 31.05.2022

On behalf of Suffolk Association of Local Councils