

## Internal Audit Report for Bredfield Parish Council for the period ending 31 March 2023

Clerk	Linda Buckman
RFO (if different)	
Chairperson	David Hepper
Precept	£ 5,437.96
Income	£ 19,497.41
Expenditure	£ 9,019.84
General reserves	£ 6,493.53
Earmarked reserves	£ 23,781.24
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 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

<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 al 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 ensured that the cashbook is the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system. The cashbook is reconciled on a monthly basis. <i>Comment: Council might want to consider best practice by ensuring that the cashbook contains evidence of the “authority to pay” in terms of powers being used to incur expenditure.</i>
<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.
<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 reviewed its Standing Orders at its meeting of 27 <sup>th</sup> March 2023. Those seen on the website are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013 and been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council.

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 27 <sup>th</sup> March 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 21<sup>st</sup> 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 1<sup>st</sup> January 2022).</i>
Has the Council properly tailored the Financial Regulations?	Yes	Council has ensured that its Financial Regulations are fully tailored to the Parish Council by removing the [ square ] sections and in particular those sections that do not apply to the 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 (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. The Council’s FRs confirms that the Clerk is so appointed.
<b>Additional comments:</b>		

<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 relevant full Council Meeting a list of all payments is presented to the meeting with formal approval of such expenditure being shown in the

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

		minutes and evidence of such paperwork in the files submitted for internal audit. <i>Comment: whilst the minutes show payments made away from the meeting are also brought back to full Council, these should also be formally approved as retrospective payments at each relevant meeting.</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 the adopted Internet Banking Policy. <i>Comment: in accordance with Council's FRs, the RFO should implement a procedure whereby ensure is retained showing which Councillors authorised the release of the payment made via online banking.</i>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified within the cashbook and claimed in accordance with the guidelines for local authorities and similar bodies. The year-end position of £692.39 was seen and verified against entries in the cashbooks and a claim for this amount was submitted on 12 <sup>th</sup> April 2023.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	N/A	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?	Yes	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?	N/A	The Council has no such loans.
<b>Additional comments:</b>		

#### 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.

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

Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	<p>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 was adopted by full Council at its meeting of 28<sup>th</sup> March 2023.</p> <p><b>Recommendation: Council should expand its register to make reference to payments made via online bank transfer – a link to the Internet Banking Policy and Council’s FRs would be appropriate.</b></p>
<i>Is there evidence that risks are being identified and managed?</i>	Yes	<p>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.</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>	Yes	<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 £25thousand.</p> <p><b>Recommendation: Council should monitor its level of Fidelity Guarantee noting that recommended guidance states that Fidelity Cover should be 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.</b></p> <p>It was reported at the meeting of 30<sup>th</sup> May 2022 that the insurance was to be placed with a new insurer as the existing insurer had withdrawn from the market. The Council confirmed its agreement to use the provider sourced by Community Action Suffolk.</p> <p><i>Comment: Council has noted 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.</i></p>

<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p><i>Partly met</i></p>	<p>Whilst the Council has an Internet Banking Policy document which outlines the controls measures that are applicable for the making of Council's payments, there is no formal minute stating that the Council has reviewed the internal control measures and found that they are appropriate and effective.  <i>Comment: In accordance with the Accounts and Audit Regulations 2015, Regulation 6, Council should be aware that it should formally review the effectiveness of its system of internal control to ensure that it has mitigation measures in place to address the risks associated with the management of public finances.</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>No</i></p>	<p>There is no minute to demonstrate that the effectiveness of internal audit was considered by the Council during the year under review.  <b>Recommendation: by reviewing the terms of reference and effectiveness for internal audit, the council would have 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 - Regulation 5 of the Accounts and Audit Regulations 2015 refers. This is noted as an outstanding audit point from the year ending 31<sup>st</sup> March 2022.</b></p>
<p><b><i>Additional comments:</i></b></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>	
<p><b>Evidence</b></p>	<p>Internal auditor commentary</p>

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

<sup>5</sup> Practitioners Guide

Verify that budget has been properly prepared and agreed	Yes	The budget for the year 2022-2023 was approved at the Council meeting of 29 <sup>th</sup> November 2021 although there is no detail as to the amount being set within the minutes of that meeting. <i>Comment: to provide clarity on the budget being set and to demonstrate that Council has decided the form and level of detail of the budget to be set, evidence should be shown, via a minute reference, as to the budget being formally approved.</i>
Verify that the precept amount has been agreed in full Council and clearly minuted	Yes	The precept was set at £5,437.96 for 2022/2023, as confirmed at the same meeting with the minutes confirming that this is an increase on that set for the previous year. <i>Comment: in accordance with guidance, Council might wish to demonstrate best practice by reflecting within the minutes the impact the precept being set will have upon a Band D property, as compared to the previous year.</i>
Regular reporting of expenditure and variances from budget	Yes	The RFO has confirmed that finance reports are submitted to full Council and that the budget is overseen by one of the Councillors and regularly updated on the website.
Reserves held – general and earmarked <sup>6</sup>	Yes	At year-end Council's accounts show general reserves in the sum of £6,493.53 with earmarked reserves in the sum of £3,014.20 and restricted reserves in the sum of £20,767.04.
<b>Additional comments:</b> Council has shown good practice by ensuring the recommended key stages as to the budgetary process are followed for the year and has ensured that progress against the budget is reviewed regularly throughout the year.		

<b>Section 6 – income controls</b>		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
Is income properly recorded and promptly banked?	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

<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



		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 in accordance with Council's own Standing Orders. The RFO ensures that monies received are promptly banked.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £5,437.96 during the year under review in April 2022. Evidence was provided showing a full audit trail from Precept being discussed, 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	During the year under review, Council received CIL receipts totalling £11,205.05 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. At each relevant meeting, the RFO provides the Council with a report detailing the CIL payments received by the Council to date along expenditure incurred and committee expenditure against known projects.
<i>Does unspent CIL income form part of earmarked reserves?</i>	N/A	Council's annual accounts show that there is a retained balance of £20,767.04 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	<i>In progress</i>	The Annual CIL Statement is still to be produced and presented to full Council for approval.
<i>Has it been published on the authority's website?</i>	<i>In progress</i>	See above.
<b>Additional comments:</b>		

### **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.

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

Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	Yes	A petty cash system is operated by the council for the Bredfield Jubilee Meadow and Orchard Account Expenses. A review of the cashbooks supplied found all to be in order.
<i>If appropriate, is there an adequate control system in place?</i>	Yes	
<b>Additional comments:</b>		

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	The council has 1 employee on its payroll at the period end of 31 <sup>st</sup> March 2023. Whilst employment contracts were not reviewed during the internal audit review, it was confirmed by the Clerk that a Contract of Employment is in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments were authorised by the Council.
<i>Minimum wage paid?</i>	No	The minimum wage was not applied to the 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 were 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?<sup>8</sup></i>	Yes	The internal audit for the year 2021-2022 references that a Re-Declaration of Compliance under the Pensions Act was carried out in February 2022.
<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.
<b>Additional comments:</b>		

<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.		
<b>Evidence</b>		Internal auditor commentary
<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 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 on the Statement of Accounts for 31 <sup>st</sup> March 2022 is stated as £35,151 whilst the Draft Accounting Statements for the year ending 31 <sup>st</sup> March 2023 show assets to the value of £35,114.
<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>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	The asset register was presented to council for formal approved at the meeting of 25 <sup>th</sup> July 2022. The figures on the DRAFT Accounting Statements

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

<sup>9</sup> Practitioners Guide

		of the AGAR are due to be signed off at the meeting in May 2023 at which it is expected an explanation will be given for the movement in the register.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as per the insurance schedule seen.
<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	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>Comment: 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.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with the period end statements and, as at year end (31 <sup>st</sup> March 2023), the balance across the councils accounts stood at £30,274.77 as recorded in the Accounting Statements of the AGAR.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	The minutes show that bank reconciliations are given within the Financial Reports are received and accepted at each meeting. <i>Comment: Council might wish to consider appointing a Councillor to review the bank reconciliation and report back to Council on their findings. This is not only to protect the RFO but also fulfils an internal control function.</i>
<b>Additional comments:</b>		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Accounts are produced on a receipts and expenditure basis, and all found to be in order.
Financial trail from records to presented accounts	Yes	The end of year accounts were presented for the internal auditor review and there is a clear financial trail from records to presented accounts. <i>Comment: see below for recommendation regarding the draft AGAR.</i>
Has the appropriate end of year AGAR <sup>10</sup> documents been completed?	Yes	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return Form 2. The Certificate of Exemption and Accounting Statements were completed but unsigned at the time of internal audit review. <b>Recommendation: prior to submission to full Council, the AGAR should be revisited, and amendments made to Box 4 and Box 6 of the Accounting Statements. The Practitioners’ Guide states that Box 4 should only comprise the following:</b> <ul style="list-style-type: none"> <li>• <b>Gross Salary (nett + NI +Tax + Pension)</b></li> <li>• <b>Taxable Expenses</b></li> <li>• <b>Employers NI</b></li> <li>• <b>Employers Pension Contributions</b></li> </ul> <b>It is noted that the figure of £3039 (rounded) under Box 4 includes the costs associated with the contract for payroll services. This should be included within Box 6 instead. Amendments to both Box 4 and Box 6 will be required.</b>
Did the Council meet the exemption criteria and correctly declared itself exempt?	Yes	The Parish Council did not have gross income and expenditure exceeding £25,000 and was able to declare itself exempt from a limited assurance review for the year 21/22. The minutes of 30 <sup>th</sup> May 2022 note that the Council signed the Certificate of Exemption for onward submission to the external auditor.

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

		<i>Comment: Council is advised to note the comment raised in the internal audit review for 2021-2022 and ensure that there is formal evidence of the legal decision taken to claim exemption.</i>
<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>	No	The internal auditor is unable to verify that the council ensured the period for the exercise of elector's rights during Summer 2022 was in accordance with the period specified within the Accounts and Audit Regulations 2015 as there was no such notice on the website nor was there confirmation in the minutes of the dates set.  <b>Recommendation: as Council failed to make opportunity for the exercise of electors' rights during the Summer of 2022, in accordance with the requirements of the Accounts and Audit Regulations it is recommended to answer in the negative to Assertion 4 of the Annual Governance Statement.</b>
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	Partly met	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 <sup>st</sup> March 2022 and published the following on a public website: <i>those in bold were not seen on the website</i> Certificate of Exemption Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR <b>Notice of the period for the exercise of public rights</b> <b>Analysis of variances</b> Bank reconciliation – year-end
<b>Additional comments:</b> <i>Council should take steps to ensure that it complies with the publication requirements and timescales as detailed under the Accounts and Audit Regulations 2015</i>		

**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.

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

Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	Yes	The Internal Audit Report for the period ending 31 <sup>st</sup> March 2022 was formally noted at the meeting of 30 <sup>th</sup> May 2022 and fully considered adopted at the meeting of 25 <sup>th</sup> July 2022.
Has appropriate action been taken regarding the recommendations raised?	Yes	The following recommendations as raised in the internal audit report for the period ending 31 <sup>st</sup> March 2022. Those in bold are still outstanding: <ol style="list-style-type: none"> <li>1. Review of expenditure to be incurred under s137</li> <li>2. <b>Annual review of Internal Controls - ongoing</b></li> <li>3. <b>Review of the effectiveness of internal audit</b></li> <li>4. Submission of budget to actual monitoring reports</li> <li>5. CIL reports to be uploaded onto the website</li> <li>6. Recording of the annual review of the asset register</li> <li>7. Declaration of eligibility to declare exemption status</li> <li>8. ACM to be held in May</li> <li>9. <b>Adoption of policies showing compliance with GDPR</b></li> </ol>
Has the Council confirmed the appointment of an internal auditor?	Yes	SALC were appointed as the Council's internal auditors for the year ending 31 <sup>st</sup> March 2023 at the meeting of 30 <sup>th</sup> January 2023. <i>Comment: Council has understood the requirement to ensure that it has a clear understanding of the roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i>
<b>Additional comments:</b>		

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

<i>Has the Council considered the previous external audit report?</i> <sup>12</sup>	N/A	For the year 2021-2022, the Council was able to declare itself exempt from a limited assurance review.
<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>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 30 <sup>th</sup> May 2022 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>	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. <i>Comment: Council is aware that, in accordance with legislation, loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page.</i> At the meeting of 26 <sup>th</sup> September 2022, the Council resolved to adopt the Model Councillor Code of Conduct 2020, as produced by the Local Government Association (LGA), for the purposes of discharging its duty to promote and maintain high standards of conduct within its area. <i>Comment: a copy of the recently adopted Code should be published on the Council's website in place of the Code adopted in 2014.</i>

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



<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the website of East Suffolk Council for the Register of Interests for all current Parish Councillors. There is access gained from the Council's website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council does not have any such responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	Council is 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): 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>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>15</sup></i>	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation. Certificate number ZA059990 with an expiry date of 29 <sup>th</sup> July 2023 refers. <i>Comment: under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. The Council's publication scheme could not be seen on the website and Council is advised to review the provision of the 2000 Act and ensure that it publishes the information as specified.</i>
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	<i>In progress</i>	Council has still to take steps to ensure compliancy with the GDPR requirements.

<sup>15</sup> Data Protection Act 2018

		<b>Recommendation: Council should ensure that it reviews the data held by the Council and provides a comprehensive document that details the information held by the council, who it is shared with and how it is used.</b>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i>	Yes	There is a website accessibility statement available to view on the parish council website which details the technical information for the website are given along with the methods used for testing the website; steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?<sup>17</sup></i>	Yes	Council has a generic email address which is not connected to a personal email account. <i>Comment: Council might wish to consider the use of a secure e-mail system with a gov.uk address thereby identifying that it has local government status and demonstrating authenticity when building trust and credibility with the public. Such an address would be owned by the parish council (section 5.204-5.207 of the Practitioners' Guide to Proper Practices – March 2022) refers.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council uses a 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>	N/A	Council does not operate a committee system.
<b>Additional comments:</b>		

Signed: *U S Waples*

Date of Internal Audit Visit: 01.05.2023 & 02.05.2023

Date of Internal Audit Report: 02.05.2023

On behalf of Suffolk Association of Local Councils

<sup>16</sup> Website Accessibility Regulations 2018

<sup>17</sup> Practitioners Guide