

## Internal Audit Report for Wangford with Henham Parish Council for the period ending 31 March 2023

Clerk	Gregg Radcliffe
RFO (if different)	
Chairperson	A Smith
Precept	£ 6,500.00
Income	£ 15,635.32
Expenditure	£ 17,353.82
General reserves	£ 23,484.00
Earmarked reserves	£ 5,660.00
Audit type	Annual
Auditor name	Linda Harley

### 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 RFO has put in place effective procedures to accurately and promptly record all financial transactions. The Council’s ledger (computerised cash sheet) is well maintained and accurate. The ledger and the minutes clearly identify the spending power used for each item, evidencing the council is operating within its mandate.
<i>Is the cash book up to date and regularly verified?</i>	Yes	Up to date accounting records are maintained throughout the year and referenced which provides evidence to support the Council's underlying accounting statements.
<i>Is the arithmetic correct?</i>	Yes	Spot checks were made and were found to be correct.
<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	<p>The Council's Standing Orders, as seen on the website, were those reviewed at the meeting of 10/5/22 and are based on the Model Standing Orders produced by NALC in 2018.</p> <p>Comment: To bring their Standing Orders fully up to date Council may wish to: increase the procurement threshold from £25,000 to £30,000 to comply with the full requirements of the Public Contract Regulations 2015 updated on 21/12/2022 and review Standing Order 18 (f) relating to the value of a contract exceeding the specified threshold.</p> <p>The Standing Orders published on the website are dated 2020 and there is no annotation to note that they have been reviewed since that date. Items with variable options to choose or complete (e.g.3i) have not been completed.</p> <p>Comment: Council may wish to note on their published Standing Orders, the date they were last reviewed and complete all the variable options within the document.</p>
Are Financial Regulations up to date and reviewed annually?	<i>Partly met</i>	<p>The Council's Financial Regulations are based on the Model Financial Regulations produced by NALC in 2019. There is no evidence in the minutes that the Financial Regulations have been reviewed during the audit year.</p> <p>Comment: To bring their Financial Regulations fully up to date Council may wish to increase the procurement threshold from £25,000 to £30,000 to comply with the full requirements of the Public Contract Regulations 2015 updated on 21/12/2022 and update the figures relating to public contracts. Council may wish to note in the minutes their annual review.</p>

Has the Council properly tailored the Financial Regulations?	Yes	The Financial Regulations are tailored to the Council.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	No	There is no evidence in the minutes of the annual appointment of the Responsible Financial Officer. Comment: In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council should appoint a person to be responsible for the administration of their financial affairs. This should be evidenced annually in the minutes.
<b><i>Additional comments:</i></b>		

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

<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.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	<i>Partly met</i>	The Council overall complies with its Financial Regulations and 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 however Council was unable to provide evidence of such paperwork (invoices) in the files submitted for internal audit. <b>Recommendation: In line with their Financial Regulations relating to payments, Council should be able to provide to the internal auditor copies of all requested invoices, initialled by 2 Councillors, to indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation.</b>
Where applicable, are internet banking transactions properly recorded and approved?	<i>Partly met</i>	Council uses internet banking for payments however they were unable to provide copies of any invoices and there is no evidence to show which Councillors verified and released the payments. <b>Recommendation: Council, in using internet banking for the settlement of its accounts, should be mindful that all payments should be made in accordance with Council’s Financial Regulations, and that evidence is retained showing which members approved the payment. Council should ensure there is an effective system in place to reduce the risks of error for all such payments. BACS payments should also be independently verified by a Councillor as a risk control procedure. This not only protects the RFO but will fulfil an internal control objective to ensure the safeguarding of public money.</b>

Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is correctly identified and recorded in the cashbook. No claim has been made in this audit year.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	Yes	At their meeting on 10/5/22 the Council confirmed that they were eligible to adopt the General Power of Competence and evidence was seen in the minutes that overall this power is being applied correctly.
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	Council has noted the power to pay for a wreath as LGA s.137. Comment: Council may wish to note that as they have adopted the General Power of Competence, this is the first power to be used by the Council.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	The Council does not have any loans.
<b>Additional comments:</b>		

<b>Section 4 – Risk management</b>		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<b>Evidence</b>		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	No	The Council were unable to provide any risk assessment documentation. <b>Recommendation: Council’s adopted risk assessment documentation should covers in general terms the matters which could possibly prevent a smaller relevant body from functioning. They should take</b>

<sup>2</sup> Localism Act

<sup>3</sup> Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £8.41 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		<b>appropriate steps to manage those risks including the introduction of internal controls and external insurance cover. Within its Risk Management Document, Council should identify a number of risks to property; finances and personnel and take steps to control the risk - all of which should be clearly identified within the document as approved by Full Council.</b>
<i>Is there evidence that risks are being identified and managed?</i>	No	<b>Recommendation : Council may wish to adopt a comprehensive Financial Risk Assessment which identifies the risks associated with ensuring that public finances are adequately protected and managed and take steps to mitigate such risks. The documentation of the specific control procedures that will be adopted by the council for payments not only protects the RFO but also fulfils an internal control objective.</b>
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Yes	General Insurance is in place under a Hiscox Commercial Policy Schedule and shows core cover including Business Interruption, Public Liability and Employer's Liability of £10m. Fidelity Guarantee Cover is £15,000 which is outside of the recommended guidelines of the Council's balance at 31/3/23 + the annual precept. There is no evidence in the minutes that the insurance policy has been reviewed against the asset register in this audit year. Comment: Council may wish to increase their fidelity insurance inline with the guidelines. Council may wish to review their insurance document against their asset register annually and note that this has been completed in the minutes.
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	Partly met	The Council has an Internal Control document, but there is no evidence that the Council has acted within the guidelines in this document or reviewed it during the audit year. <b>Recommendation: Council is aware of the requirement, under the Accounts and Audit Regulations 2015, to have in place safe and efficient arrangements to safeguard public money, and that it should act within the guidelines in this document. Council should take steps</b>

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



		<p><b>to ensure that it reviews its arrangements to protect public money during the audit year and minutes that such a review has taken place. The adoption of an Internal Control Statement provides the basis for such an assertion when followed. Council should consider ensuring that it has a clear procedure for the way in which it operates with regards to the operation of its online accounts and that this is covered within the Internal Control Statement.</b></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>No</p>	<p>There is no evidence that a review of the effectiveness of internal audit was conducted during the year.                  Comment: Council may wish to ensure that a full review of the effectiveness of internal audit is conducted during the audit year. This should include consideration of the independence and competence of the internal auditor, prior to their appointment. A note of this review should be made in the minutes. This could be included within the Internal Control Statement. Please see notes under ‘Evidence that Internal Control Documents are documented and regularly reviewed.’</p>
<p><b>Additional comments:</b></p>		

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<sup>5</sup> Practitioners Guide

<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		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	No	There is no evidence that a budget was prepared for the audit year 2022/23, before approving the precept. <b>Recommendation: Council should evidence that it has followed the recommended key stages as to the budgetary process to be followed for the year:</b> <ul style="list-style-type: none"> <li>• <b>decide the form and level of detail of the budget;</b></li> <li>• <b>assess levels of income;</b></li> <li>• <b>provide for contingencies and consider the need for reserves;</b></li> <li>• <b>approve the budget and note the amount in the minutes before adopting the precept.</b></li> </ul>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The full Council has considered, approved and adopted the annual precept for the year. This was set at £6,500.
<i>Regular reporting of expenditure and variances from budget</i>	Partly met	The monthly expenditure is noted in the minutes however, variances from budget have not been noted. Comment: It is good practice to include comparisons between budgeted and actual income and expenditure within the documentation periodically circulated to Councillors in accordance with Council’s own Standing Orders. The minutes can reflect that they have been received and noted
<i>Reserves held – general and earmarked<sup>6</sup></i>		Council’s final accounts show general reserves in the sum of £23,484 with earmarked reserves in the sum of £5,660

<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

	<p><b>Recommendation :</b> The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure. At the current level, council's general reserves are outside of this level. Council should note guidance as issued under the Practitioners Guide 2020 which states that an authority needs to have regards to the need to put in place a General Reserve Policy with explanations as to the high level of general reserves being held. As Council's General Reserves are on the high side, Council should take appropriate steps to manage this situation and record that it has reviewed the level and purpose of all Earmarked Reserves.</p>
<p><b><i>Additional comments:</i></b></p>	

<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>		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	<i>Partly met</i>	Income was received, properly recorded in the cashbook and banked. There is no evidence that income during the year was reported to Council. Council was unable to provide the sample vouchers, so the auditor was unable to cross check items of income against the cash book and bank statements. The figure for Latitude ticket sales is reported at each meeting but there is no evidence of a policy in place to monitor these. <b>Recommendation: In accordance with Proper Practices, the Responsible Financial Officer should ensure that the accounting records contain entries from day to day of all sums of money received, that receipts are retained for the audit and that all income is noted in the minutes as confirmation of receipt.</b>
<i>Is income reported to full council?</i>	<i>No</i>	There is no evidence in the minutes that income is reported to full Council. This is contra to the Council's own Internal Control document which states that 'receipts are listed in the minutes'. Comment: Council may wish to include a note of all receipts in the minutes, see recommendation above.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	<i>Yes</i>	The precept recorded agrees to the receipt on the bank statement from the Council Tax Authority.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	<i>Partly met</i>	Council has not received any CIL fund during the year under review but had received funds in previous audit years of £660.07. <b>Recommendation: The CIL report dated 31/3/23 should be reviewed against the previous year and amendments made where necessary. In accordance with the 2010 Regulations, the Council having received a</b>
<i>Is CIL income reported to the council?</i>	<i>N/A</i>	
<i>Does unspent CIL income form part of earmarked reserves?</i>	<i>Unsure</i>	
<i>Has an annual report been produced?</i>	<i>Partly met</i>	

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

<i>Has it been published on the authority's website?</i>	Yes	<b>proportion of CIL funds should ensure that retained balances are transferred into the Earmarked Reserve specifically allocated. The updated report should be published on the authority's website.</b>
<b><i>Additional comments:</i></b>		

<b>Section 7 – petty cash</b>		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
<b>Evidence</b>		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	The Council does not have a system of petty cash.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 <sup>st</sup> March 2023. Employment contracts were not reviewed during the internal audit, but all salary payments are authorised by full council. Comment: in accordance with Proper Practices, Council has ensured that the remuneration payable to all employees has been approved in advance by the Council. P45 and P60 seen for J Brown
<i>Has the Council approved salary paid?</i>	Yes	
<i>Minimum wage paid?</i>	Yes	
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	The Council has payroll arrangements in place. The payroll function is operated within the RTI system. Cross-checks were completed on two payments covering salary and PAYE and were found to be in order (however see recommendation below). 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 employment legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	No	In accordance with Proper Practices, PAYE taxes and employee and employer National Insurance contributions (NIC) are calculated and recorded for every employee. Auditor was unable to confirm if deductions are paid to HM Revenue and Customs, on or before the dates prescribed as the Clerk received the gross salary and pays the PAYE/NIC. <b>Recommendation: Council should ensure 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 has complied with its duties under employment legislation. As an employee, the Clerk’s salary should be paid net with all payments to HMRC for PAYE/NIC made by the Council.</b>

<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?</i> <sup>8</sup>	Yes	Inline with their pension responsibilities the Council has completed a re-declaration of compliance with regards to automatic enrolment duties in January 2022. This was registered with The Pensions Regulator.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	All payments are reasonable and approved by the 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?</i> <sup>9</sup>	Yes	The Council's assets are properly maintained and efficiently managed. The Asset Register was reviewed during the Internal Audit for year-end and accurately 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) was £85,270.51 which agrees with box 9 of the AGAR. All assets have been stated as at the acquisition value and where assets have been gifted or where there is no known value have been given the proxy value of £1. The register has been updated with any additions or disposals during the year.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	

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

<sup>9</sup> Practitioners Guide



		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>	<i>Partly met</i>	The Asset Register value has been stated on the Annual Governance and Accountability Return (AGAR) which was signed at the time of Internal Audit. There is no note in the minutes that the asset register has been reviewed during the audit year. Comment: Council may wish to include in the minutes the annual review of the asset register.
<i>Cross checking of insurance cover</i>	<i>No</i>	There is no evidence in the minutes that the Council has compared the asset register with their insurance schedule to ensure that all assets as recorded are appropriately insured. A number of items as listed under the Asset Register were reviewed against items under insurance and cover was deemed to be appropriate. Comment: Council may wish to note in their minutes the cross checking of insurance cover against their asset register to confirm that all assets are appropriately insured.
<b><i>Additional comments:</i></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>	No	<p>The Council’s Internal Control document states that bank reconciliations are circulated quarterly, but there is no note in the minutes to confirm that Councillors have reviewed these and no evidence of these documents were provided to the auditor. An annual bank reconciliation has not been completed.</p> <p><b>Recommendation: In line with Council’s own Financial Regulations, statements reconciling each of the Council’s bank accounts with it’s accounting records should be prepared on a regular basis and at year end 31<sup>st</sup> March, and reconciled with the cash sheets. They should be subject to independent review by Councillors and signed as evidence of this review. Bank statements should be periodically independently verified to the balances stated in the bank reconciliations. This not only safeguards the Responsible Financial Officer but also fulfils an internal control objective – to enable the prevention and detection of inaccuracies.</b></p>
<i>Do bank balances agree with bank statements?</i>	No	<p>Bank balances at 31/3/2023 stand at £22,771.83:                      Barclays Community account: £4311.49 as at 24/3/2023                      Barclays Business Premium Account £17,760.34.</p> <p>An annual bank reconciliation had not been completed so the auditor was unable to confirm if the balances agreed with the bank statements. The balances do not agree with boxes 7 and 8 of the AGAR (£19,144) for balances carried forward, cash and short term investments. No explanation has been given.</p> <p>Please see recommendation above and under item 11.</p>

<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	The bank balances are reported at each Council meeting and noted in the minutes.
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<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounting statements prepared during the year are produced on a Receipts and Payments basis and agree to the cashbook. All were found to be in order.
<i>Financial trail from records to presented accounts</i>	No	There is no clear audit trail from the financial records held to the presented accounts as Council were unable to provide copies of invoices.
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>		<p>As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it has completed Part 2 of the AGAR.</p> <p>Box 4 of the AGAR 'staff costs' - this box includes 'total payments made to and on behalf of employees'. The amount entered does not include the payments of £54.20 for PAYE.</p> <p>Box 6 of the AGAR 'Total Other Receipts' - the amount of £9135 agrees with the 'Income excel sheet' but the total income figure on the statement of accounts as at 31/3/23 is £9,155. Council may wish to review the situation relating to receipts received for Latitude tickets and interest and amend either the AGAR or the Statement of Accounts.</p> <p>Boxes 7 and 8 of the AGAR (£29144) does not agree with bank balances of £22071. No annual bank reconciliation has been provided.</p> <p>Under Section1 of the AGAR, the Annual Governance Statement, the Council has provided a 'no' annotation for boxes 6 and 7 relating to:</p>

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

		<p>6. Maintaining an adequate system of internal audit of the accounting records and 7. Taking action on matters raised by the internal/external auditor.</p> <p>Council has provided a 'yes' annotation for box 4 relating to the exercise of electors rights during the year – the dates given did not allow for the exercise of rights for 30 working days.</p> <p>Council has provided a 'yes' annotation for box 5 relating to risk assessments carried out during the year – this has not been actioned.</p> <p>Council has provided a 'yes' annotation for box 2 relating to maintaining an adequate system of internal control during the year – this has not been actioned.</p> <p><b>Recommendation: Council may wish to review the figures on their AGAR in line with an annual bank reconciliation and recommendations made above.</b></p> <p><b>Council may wish to change the annotations for boxes 2,4 and 5 to 'no' as there is no evidence that these items have been completed during the audit year.</b></p>
<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Yes</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. The Council approved the Certificate of Exemption at their meeting on 12/4/22. The Certificate has been published on the Council's website.</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>Partly met</p>	<p>The Internal Auditor was able to confirm that the details of the arrangements for the exercise of public rights for the period ending 31<sup>st</sup> March 2023 were published on the public website used by the Council, however, the dates published (from 3<sup>rd</sup> July to 4<sup>th</sup> August) do not allow for the exercise of public rights for 30 working days.</p> <p><b>Recommendation: Council may wish to note that the dates allocated must allow for the exercise of public rights for 30 working days and include the first 10 working days in July.</b></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i></p>	<p>Partly met</p>	<p>The Council has complied with the requirements of the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015</p>

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

	<p>and the Transparency Code for Smaller Authorities and has published the following on a public website:</p> <ul style="list-style-type: none"><li>Certificate of Exemption</li><li>Annual Internal Audit Report of the AGAR</li><li>Section 1 – Annual Governance Statement of the AGAR</li><li>Section 2 – Accounting Statements of the AGAR</li><li>Notice of the period for the exercise of public rights and other information required by Regulation 15 (2) Accounts and Audit Regulations 2015 (dates are incorrect)</li><li>Analysis of variances</li></ul> <p>Comment: To be fully compliant the Council may wish to publish their annual bank reconciliation.</p> <p>Please see notes above relating to the exercise of public rights for 30 working days.</p>
<p><b><i>Additional comments: Council were without a Clerk from May to November 2022, which has led to a number of procedural items being missed.</i></b></p>	

<b>Section 12 – internal audit</b>		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	No	There is no evidence in the minutes that the Council has considered the previous internal audit report. The Council's Internal Control document states that the report would be reviewed, discussed and appropriate action taken. Comment: Council may wish to note in the minutes the consideration of the internal audit report and note the actions to be taken following recommendations raised.
<i>Has appropriate action been taken regarding the recommendations raised?</i>		The internal audit for 2021/2022 raised the following items: <ol style="list-style-type: none"> <li>1. Financial Regulations not tailored to the Council – actioned.</li> <li>2. Minute appointment of RFO annually – not actioned.</li> <li>3. General Reserves Policy to be put in place explaining high level of general reserves held and Council to review reserves – not actioned and level of general reserves held outside of recommended guidelines.</li> <li>4. Adopt document relating to management and responsibility for Latitude receipts - No evidence seen of the adoption of a document.</li> <li>5. Changes to AGAR – not actioned.</li> <li>6. Minutes to note that apologies have been accepted – actioned.</li> <li>7. Adoption/publication of GDPR policies – not actioned.</li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	No	The Council has not confirmed the appointment of an internal auditor. Comment: Council may wish to note in their minutes the annual appointment of the internal auditor.
<b>Additional comments:</b>		

<b>Section 13 – external audit for the period under review</b>		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?<sup>12</sup></i>	<i>N/A</i>	The Council has declared itself exempt from the external audit.
<i>Has appropriate action been taken regarding the comments raised?</i>	<i>N/A</i>	
<b><i>Additional comments:</i></b>		

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<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.*



<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	The Annual Meeting of the Parish Council was held on 10/5/22 with the first item on the agenda being the election of the Chairman in accordance with the Local Government Act of 1972 Schedule 12, paragraph 7(2) and Schedule 15(2).
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>	Yes	The minutes were not seen as a virtual audit was carried out. Full Council minutes clearly document the approval of the previous minutes and that they are duly signed. Absence was approved (if appropriate). Comment: Council may wish to note in the minutes after the approval that they have been signed and that the pages are numbered consecutively.
<i>Is there a list of members' interests held?</i>	No	There is no link on the website to a list of members' interests held. Comment: Council is reminded that whilst the monitoring officer of the Authority must arrange for the parish council's register of members' interests to be available, where the parish council has its own website, its register of members' interests must also be published on that website. (Openness and transparency on personal interests - A guide for councillors – August 2012)
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	The Council does not have any trustee responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Partly met	To ensure compliance with the requirements of the Transparency Code for smaller authorities (turnover not exceeding £25,000), Council has published the following information on a public website for the year 2022/23: Internal Audit Report List of Councillors and Responsibilities End of Year Accounts Annual Governance Statement

<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

		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. Comment: To ensure compliance with the code Council may wish to publish an up to date asset register (currently dated 2021) and a list of items of Expenditure Above £100 including recoverable and non-recoverable VAT.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>15</sup></i>	Yes	The Council is registered with the Information Commissioner's Office (ICO) as a Data Controller. Under the data Protection Act 2018 and Registration ZA19048 refers.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	<i>Partly met</i>	Council has taken steps to ensure compliancy with the GDPR requirements and is aware that this should be monitored at all times to ensure compliancy. Council has published a Privacy policy on their website. Comment: As commented on in the internal audit report for 2021-22, Council need to adopt and publish: Data Protection Policy; procedures for dealing with subject access and freedom of information requests; procedures for dealing with data breaches and data retention policies (including disposal).
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i>	Yes	Council has published on its website a website accessibility statement – in line with Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?<sup>17</sup></i>	Yes	The Council has an official email address for correspondence. 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 5.16 of the Practitioners' Guide to Proper Practices – March 2021) refers.
<i>Is there evidence that electronic files are backed up?</i>	No	There is no evidence that the Council backs up its electronic files.

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

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

<sup>17</sup> Practitioners Guide

<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	<i>N/A</i>	The Council does not have any committees.
<b><i>Additional comments:</i></b>		

Signed: *Linda Harley*

Date of Internal Audit Report: 14/7/23

On behalf of Suffolk Association of Local Councils