

## Internal Audit Report for Bildeston Parish Council

for the audit year ending 31/3/2021

Clerk	Angela Chapman
RFO (if different)	
Chairperson	Peter Hutchings
Precept	£ 24,500
Income	£ 39,317.74
Expenditure	£ 33,700.32
General reserves	£ 32,317
Earmarked reserves	£ 60,771
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:

- carry out 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 carried out 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>	<i>Yes</i>	Council uses a spreadsheet to form the basis of their accounting system. The councils financial documents are dated 27/3/2021. Comment: All documents should be dated to include entries to 31 <sup>st</sup> March of the financial year.
<i>Is the cash book up to date and regularly verified?</i>	<i>Partly met</i>	The cashbook is dated 27/3/21 and full bank statements have not been provided to support the entries to 31/3/21. <b>Recommendation: Council completes their cashbook to the end of the audit year 31/3/21 and includes all entries to that date.</b>
<i>Is the arithmetic correct?</i>	<i>Yes</i>	Arithmetic is correct.
<b>Additional comments:</b>		

<b>Section 2 – Financial Regulation and Standing Orders</b>		
The internal auditor will check the date the Council carried out 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	At the meeting on 8/2/21 the council carried out an annual review of its NALC Model Standing Orders 2018. Comment: Council may wish to update the ‘Financial Controls and Procurement’ section as the contract thresholds are out of date.
Are Financial Regulations up to date and reviewed annually?	Yes	At the meeting of 8/2/21 the council carried out an annual review of its NALC Model Financial Regulations 2019. Comment: Council may wish to include the thresholds relating to contracts, which are included in the NALC Model Financial Regulations.
Has the Council properly tailored the Financial Regulations?	Yes	The Financial Regulations have been tailored to the Council.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	The Council noted in their Internal Control Document that the Clerk is the Responsible Financial Officer. This is noted in the minutes of 8/2/21.
<b>Additional comments:</b>		

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

<b>Section 3 – Payment controls</b>		
<p>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	<p>A selection of expenditure items were made and cross-checked against the cash book, invoices and bank statements and were generally found to be in order. Overall, payments were not recorded in the minutes however only minutes from the following meetings were available on the website for 2020: 13/11/20 and 5/5/20.</p> <p>The Council notes in their Internal Control Document that ‘payments are reported to Council for approval’ which hasn’t been noted in the minutes and that ‘the signatories should consider each payment against the relevant invoice, initial the invoice and then authorise the payment through the online banking system.’</p> <p>Invoices sampled have not been initialled/signed by the members authorising the payments.</p> <p><b>Recommendation: In accordance with Financial Regulations and the Council’s own Internal Control Document, all payments should be noted in the minutes of the full council meeting, with invoices signed by the 2 members authorising the payments.</b></p>
Where applicable, are internet banking transactions properly recorded and approved?	No	<p>Invoices sampled did not show that payments were authorised by the Council and approved by the 2 members checking the payments. No authorisation sheet for electronic payments was available..</p> <p><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 6.9, and that evidence is retained showing which members approved the payment.</b></p>

Is VAT correctly identified, recorded and claimed within time limits?	Yes	VAT is identified in the cashbook and has been reclaimed for the financial year to 31/3/2020. Comment: In accordance with the Council's own Financial Regulations 9.8, any VAT returns should be promptly completed and made at least annual coinciding with the financial year end.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	No	The council have not adopted 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?	N/A	It is recorded in the Annual Financial Summary that no community grant payments have been made this year.
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>		

<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 £8.12 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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>	<i>Partly met</i>	The Council has risk assessment documentation which covers in general terms the matters which could prevent a smaller relevant body from functioning. Comment: Council may wish to update the risk assessment documentation on their website which is dated 31/3/2020.
<i>Is there evidence that risks are being identified and managed?</i>	<i>Yes</i>	The Council is responsible for play equipment and it was noted in the minutes of 8/2/21 actions to be carried out following the report. Council noted in their minutes of 8/2/21 the annual review of their risk assessments.
<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>	<i>No</i>	An insurance policy schedule covering the audit year 2020/21 was not provided to verify cover. <b>Recommendation : In accordance with Financial Regulation 15 a record shall be kept of all insurances effected by the council and the property and risks covered thereby and this should be reviewed annually by the Council. Evidence should be provided to the council that adequate insurance is in place.</b>
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	<i>Yes</i>	As approved at a meeting of full Council on 8/2/21 it was evidenced that the Council's Internal Control Document was reviewed. In accordance with the Accounts and Audit Regulations 2015 the Council has understood the requirements to have in place safe and efficient arrangements to safeguard public money.
<i>Evidence that a review of the effectiveness of internal audit has been carried out during the year<sup>5</sup></i>	<i>Yes</i>	The Council reviews the effectiveness of internal audit through their Internal Control Document.
<b>Additional comments:</b>		

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

<sup>5</sup> Governance and Accountability 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>		<b>Internal auditor commentary</b>
<i>Verify that budget has been properly prepared and agreed</i>	Yes	<p>The budget for the year 2020/21 in the sum of £29,025 was approved by full Council at a meeting on 13/01/2020.</p> <p>The council shows good practice in that recommended key stages of the budgetary process have been followed namely:</p> <ul style="list-style-type: none"> <li>• Decide the form and level of detail of the budget</li> <li>• Review the current year budget and spending</li> <li>• Assess levels of income</li> <li>• Bring together spending and income plans</li> <li>• Provide for contingencies and consider the needs of reserves</li> <li>• Approve the budget</li> <li>• Confirm the precept or rates and special levies and</li> <li>• Review progress against the budget regularly throughout the year</li> </ul>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept for the year 2020/21 in the sum of £25,400 was approved by full Council at a meeting on 13/1/2020.</p>
<i>Regular reporting of expenditure and variances from budget</i>	Partly met	<p>It is noted in the Council's Internal Control Document that all payments are reported to Council but overall details and variances from budget are not included in the minutes.</p> <p><b>Recommendation: In accordance with Council's own Standing Orders, a quarterly statement summarising the Council's receipts and payments for the quarter, the Council's aggregate receipts and payment for the year to date and balances held is submitted to full Council and resolved for adoption. This includes a comparison with the budget for the financial year and is recorded in the minutes.</b></p>

<p><i>Reserves held – general and earmarked<sup>6</sup></i></p>	<p>Yes</p>	<p>The Council’s final accounts show general reserves in the sum of £32,317 with earmarked reserves in the sum of £60,771 with overall reserves standing at £93,088. The Council’s reserves are very well organised and clearly documented. Council minuted on 5/520 that any ‘ring fenced’ funds from donors will be held in the projects reserve.</p> <p>Comment: 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 considered to be within this level.</p>
<p><b><i>Additional comments:</i></b></p>		

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<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

<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>
<i>Is income properly recorded and promptly banked?</i>	<i>Partly met</i>	Council notes in their Internal Control Document that all income is promptly banked however, a number of items of income were cross-checked against the cash book and bank statement and copies of receipts were not available. <b>Recommendation: In accordance with proper practices the Responsible Financial Officer should ensure that accounting records contain day to day entries of all sums of money and that income received is promptly banked, copies of receipts are retained to confirm a full audit trail.</b>
<i>Is income reported to full council?</i>	<i>Yes</i>	Council notes in their Internal Control Document that all income is reported to full Council. Comment: Council may wish to include details of all income received in the minutes.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	<i>Yes</i>	The precept recorded in the cashbook agrees with the Council Tax Authority's notification of £12,700 paid in April and September. However, this does not agree with the figure in box 2 'Precept received' of Section 2 Accounting Statement of the AGAR which states £24,500. <b>Please see recommendation under item 11.</b>
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	<i>No</i>	CIL funds received for the year under review show no receipts as reported to full council. In accordance with the Regulations the council have received a proportion of CIL funds in previous years and ensured that retained balances are transferred to the earmarked reserves specifically allocated. There is no evidence that the council has complied with its duty to produce an annual report that details the amount of CIL funds received and spent. <b>Recommendation: Annual reports showing income received and retained balances should be provided with the audit documents to be verified by the internal auditor. The council should comply with its duty to upload the annual report onto its website.</b>
<i>Is CIL income reported to the council?</i>	<i>No</i>	
<i>Does unspent CIL income form part of earmarked reserves?</i>	<i>Yes</i>	
<i>Has an annual report been produced?</i>	<i>No</i>	
<i>Has it been published on the authority's website?</i>	<i>No</i>	
<b>Additional comments:</b>		

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

<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>		<b>Internal auditor commentary</b>
<i>Is petty cash in operation?</i>	<i>No</i>	The Council does not operate a system of petty cash.
<i>If appropriate, is there an adequate control system in place?</i>	<i>N/A</i>	
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries are approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. If the Clerk was recruited after 1 <sup>st</sup> April 2011, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Do all employees have contracts of employment?</i>	<i>N/A</i>	Employment contracts were not reviewed during the internal audit, but evidence confirms all salary payments are authorised by full Council
<i>Has the Council approved salary paid?</i>	<i>Yes</i>	
<i>Minimum wage paid?</i>	<i>Yes</i>	
<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>	<i>Yes</i>	The payroll function is operated in accordance with HM Revenue and Customs guidelines. 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>	<i>Yes</i>	In accordance with Proper Practices, PAYE taxes and employee and employer National Insurance contributions (NIC) are calculated and recorded for every employee. Deductions are paid to HM Revenue and Customs on or before the dates prescribed.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	<i>No</i>	No evidence seen that Council is aware of its pension responsibilities, in this financial year. <b>Recommendation: Council should ensure that it records evidence that it has complied with its duties as an employer with regards to automatic enrolment and that it has completed and submitted a declaration of compliance to the Pension Regulator.</b>
<i>Are there any other payments (eg: expenses) and are these reasonable and approved by the Council?</i>	<i>Yes</i>	It is noted in the Council's Internal Control Document that Council approved all payments.
<b>Additional comments:</b>		

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

<b>Section 9 – Asset control</b>		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<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>		
<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	<p>The asset register lists items under insurance that fall within the Council’s remit for maintenance and ownership. The asset register published on the website is dated 31/3/20 with the total fixed assets being £271,184. This does not agree with the figure for total assets in box 9 of the AGAR Section 2.  <b>Recommendation: Council may wish to ensure that an up to date register is held supporting the total fixed asset figure on the AGAR for 2020/21.</b></p>
<i>Are 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>	Yes	
<i>Is the asset register up to date and reviewed annually?</i>	No	<p>There is no evidence that an annual review of the asset register has taken place.  <b>Recommendation: In accordance with their Financial Regulation an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.</b></p>
<i>Cross checking of insurance cover</i>	No	<p>There is no evidence that the insurance cover was cross checked against the asset register. A copy of the insurance schedule was not provided with the internal audit documentation.  <b>Recommendation: In-line with the Council’s own Financial Regulations Item 15, the Council shall ‘keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it’.</b></p>
<b>Additional comments:</b>		

<sup>9</sup> Governance and Accountability for Smaller Authorities in England – March 2019

<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>		<b>Internal auditor commentary</b>
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	<i>No</i>	Bank reconciliations were not completed during the year for all bank accounts.. <b>Recommendation: as previously mentioned in the internal audit for 2019/20, Council should consider, as evidence of good financial practice, implementing a system whereby the bank reconciliations are independently verified by a Councillor which not only safeguards the Responsible Financial Officer but also fulfils an internal control objective.</b> The Council’s annual bank reconciliation did not balance and a ‘reconciliation difference’ was noted on the Year End Summary Report. <b>Recommendation: Council amend the figures in their bank reconciliation to agree with box 7 of Section 2 of the AGAR ‘balance carried forward’.</b>
<i>Do bank balances agree with bank statements?</i>	<i>Partly met</i>	The financial spreadsheet shows the following balances at 27/3/21 however a bank statement was only provided for the Unity Trust current account. Barclays current account : £30,324.94 Unity Trust Current account: £44368.76 Unity Trust Savings account : £16675.81 <b>Recommendation: In accordance with proper practices, Council should supply supporting documents to enable the auditor to complete the AGAR internal audit report and confirm that ‘appropriate accounting records have been completed throughout the audit year’.</b>
<i>Is there regular reporting of bank balances at Council meetings?</i>	<i>No</i>	Bank balances for all accounts are not reported at Council meetings. <b>Recommendation: In accordance with Financial Regulations bank balances should be reported to full Council and noted in the minutes.</b>

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Council used the receipts and payments accounting method.
Financial trail from records to presented accounts	Partly met	Overall, the end of year accounts and supporting documentation were well presented for the internal auditor review.
Has the appropriate end of year AGAR <sup>10</sup> documents been completed?	Partly met	<p>As Council is a smaller authority with gross income and expenditure exceeding £25,000 but not exceeding £6.5 million it has completed Part 3 of the AGAR. The figure in box 2 for the precept has been incorrectly completed as £24,500.</p> <p><b>Recommendation: Council amend the figure in box 2 of the Accounting Statement of the AGAR to reflect the amount received. The figure in box 3 ‘Total other receipts’ should also be amended so that box 2 and 3 agree with the figure for receipts on the Council’s financial statement.</b></p> <p>The figure in box 4 of the AGAR for staff costs includes expenses.</p> <p><b>Recommendation: Council amend the figure in box 4 of the Accounting Statement to reflect: staff costs proper practices states that staff costs are “all the costs to the authority relating to the employment of its staff. Staff costs for the purpose of Line 4 include gross salary of employees, employers national insurance contributions, employers pension contributions, gratuities for employees or former employees and severance or termination payments to employees.</b></p> <p>Explanation of high reserves and significant variances has been completed, however no explanation has been given for the ‘all other payments’ variance.</p> <p>In the AGAR Section 1 Council have responded ‘Yes’ to assertions 1 and 7 which is incorrect.</p> <p><b>Recommendation: Council change the assertions on AGAR Section 1 for items 1 and 7 to ‘No’ following the recommendations made in this report.</b></p>

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

<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	The Council does not qualify as exempt from an External Audit.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	The internal auditor was able to find details of the arrangements for the exercise of public rights for the period under review on the public website used by the Council from 28 <sup>th</sup> August 2020 to 9 <sup>th</sup> October 2020.
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	No	<p><b>Publication Requirements 2019/20</b>                  Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:                  Before 1 July 2020 authorities <b>must</b> publish:                  Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;  <b>Section 1 - Annual Governance Statement 2019/20</b>, approved and signed, page 4  <b>Section 2 - Accounting Statements 2019/20</b>, approved and signed, page 5                  Not later than 30 September 2020 authorities <b>must</b> publish:                  Notice of conclusion of audit  <b>Section 3 - External Auditor Report and Certificate</b>  <b>Sections 1 and 2 of AGAR</b> including any amendments as a result of the limited assurance review.                  It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.  <b>Recommendation: To be compliant with the publication requirements Council should ensure they publish the external auditor report and certificate on their website.</b></p>
<b>Additional comments:</b>		

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

<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 previous internal audit report been considered by the Council?</i>	No	There is no note in the minutes to confirm the annual review of the internal auditor’s report. <b>Recommendation: In accordance with the Financial Regulations any correspondence or report from internal or external auditors shall be brought to the attention of all Councillors.</b>
<i>Has appropriate action been taken regarding the recommendations raised?</i>	No	The following recommendation from the internal audit 2019/20 has not been actioned: <b>Recommendation: as previously mentioned in the internal audit for 2018-2019, Council should consider, as evidence of good financial practice, implementing a system whereby the bank reconciliations are independently verified by a Councillor which not only safeguards the Responsible Financial Officer but also fulfils an internal control objective.</b>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	SALC was appointed as the internal auditor for the audit year 2020/21 and this was noted in the minutes of 8/2/21.
<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 taken into account.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the previous external audit report been considered by the Council?<sup>12</sup></i>	No	No evidence was seen that the external audit report had been considered by the Council. <b>Recommendation: In accordance with the Financial Regulations any correspondence or report from internal or external auditors shall be brought to the attention of all Councillors.</b>
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	No items were raised by the external auditor.
<b>Additional comments:</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 (ie. 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 some additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup> <i>(note to auditor- emergency Regulations as a result of the COVID-19 pandemic)</i> <sup>14</sup>	No	The Annual Meeting of the Parish Council was held on 5/5/2020 but the first item on the agenda was not the election of the Chairperson. Comment: Inline with the Local Government Act 1972, the first item on the agenda for the Council’s AGM in May should be the election of the chair.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>	No	Unable to verify during this ‘virtual’ audit.
<i>Is there a list of members’ interests held?</i>	Yes	Council publishes member’s Register of Interest forms on the website.
<i>Does the Council have any Trustee responsibilities and if so are these clearly identified in a Trust Document?</i>	No	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	In line with the requirements of the Transparency Code for smaller authorities the Council has shown good practice by choosing to publish on a public website for the year 2020/21: List of Councillors and Responsibilities Asset Register and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales. Council also publishes a separate list of land and buildings where they are either the owner or custodian. Comment: Council may wish to consider publishing the following information on their website: Internal Audit Report

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

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

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

		Items of Expenditure Above £100 including recoverable and non-recoverable VAT End of Year Accounts Annual Governance Statement
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>	Yes	The Council has correctly registered with the ICO as a data controller under reference ZA119342.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken steps to ensure compliancy with the GDPR requirements. A General Privacy Notice was seen on the parish council's website along with a Data Management Policies, Procedures for dealing with Subject Access Request; Procedure for dealing with Data Breaches and Data Retention & Disposal Policies Privacy notice, Data Protection and Security, document disposal and retention, data handling.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Yes	The Council have published a website accessibility statement in accordance with The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018.
<i>Is there evidence that electronic files are backed up?</i>	No	There is no evidence of the backing up of electronic files.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	No	Council has working groups for financial, administration and personnel. Comment: Council may wish to review the terms of reference for their working groups to ensure they are not actual committees in real terms. Explained in Local Councils Explained, (Chapter 6, p. 131 onwards) and LTN 1 (paras 3, 7-12, 21-25). Para 24 in particular covers this specific point. Finance in particular should be dealt with by a committee.
<b>Additional comments:</b>		

Signed: *Linda Harley*

Date of Internal Audit Visit: N/A      Date of Internal Audit Report: 30/6/21

On behalf of Suffolk Association of Local Councils

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

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