

## Internal Audit Report for Nedging with Naughton Parish Council for the year ending 31<sup>st</sup> March 2021

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|--------------------|------------------------|
| Clerk              | Lynn Allum             |
| RFO (if different) |                        |
| Chairperson        | Christopher Harding    |
| Precept            | £5380.00               |
| Income             | £5479.93               |
| Expenditure        | £4588.50               |
| General reserves   | £5458.77               |
| Earmarked reserves | £0.00                  |
| 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:

- 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>  |     |  |
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| 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 an excel spreadsheet which allows the Responsible Financial Officer (RFO) to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the parish council are recorded and are as accurate as reasonably practicable. |
| <i>Is the cash book up to date and regularly verified?</i>   | Yes | The 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.   |
| <i>Is the arithmetic correct?</i>  | Yes | The accounting records were spot checked – they are well maintained, referenced with the manner in which the payment was made and identified expenditure and income at any given point.  |
| <b>Additional comments:</b><br>The powers used to incur expenditure as populated in the cashbook shows good evidence of the framework in which the council operates.   |     |  |

| <b>Section 2 – Financial Regulation and Standing Orders</b>   |     |   |
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| 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 | The Council reviewed its Standing Orders at its meeting of 8 <sup>th</sup> September 2020, a copy of which can be found on the Council's website and which are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013. |

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| Are Financial Regulations up to date and reviewed annually?                   | Yes | The Council's Financial Regulations which were reviewed at a meeting of 8 <sup>th</sup> September 2020 are based on the Model Financial Regulations as produced by NALC in 2019.  |
| Has the Council properly tailored the Financial Regulations?                  | Yes | The Council's current Financial Regulations have in the main been tailored to the Parish 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 to be responsible for the administration of the financial affairs of the relevant authority. Council's own Financial Regulations (1.8) state that the Clerk is the RFO. |
| <b>Additional comments:</b>   |     |   |

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| <p><b>Section 3 – Payment controls</b><br/>                 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 full Council Meeting a list of all payments is presented to the meeting with formal approval of such expenditure being shown in the minutes and evidence of such paperwork in the files submitted for internal audit. Payments made away from the meeting are brought back to full Council as retrospective payments and approved at the next meeting. |
| Where applicable, are internet banking transactions properly recorded and approved?   | Yes | Internet banking is operated in accordance with the Council's own FRs with evidence being retained showing which authorised members approved the payment. The RFO has ensured that the Council has implemented the procedure whereby invoices due for payment are including within the   |

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

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|  |                       | financial reports submitted. Payments not authorised by this means are reported to Council for retrospective approval.   |
| Is VAT correctly identified, recorded and claimed within time limits?  | <i>Partly met</i>     | VAT is clearly identified in the cash book with the year-end position of £88.41 being stated in the cashbook. The claim for the period ending 31 <sup>st</sup> March 2020 as identified in the year-end accounts for that year in the sum of £97.10 was received during the year under review.<br><br><i>Council should be aware that the claim submitted for the year ending 31<sup>st</sup> March 2021 has an incorrect entry relating to Community Action Suffolk and Insurance Premium. Insurance is not liable to VAT and the sum of £21.95 is Insurance Premium Tax which is different to VAT.</i> |
| Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>   | <i>No</i>             | The Council has 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?  | <i>Not applicable</i> | 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?  | <i>Not applicable</i> |  |
| <b><i>Additional comments:</i></b><br><i>Council continues to demonstrate good practise by ensuring that a schedule of payments which arise on a regular basis of a continuing contract is submitted to full Council for approval at each meeting.</i> |                       |  |

#### **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 £8.12 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   |
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| <i>Is there evidence of risk assessment documentation?</i>  | Yes | The risk assessment documentation submitted for Internal Audit details risks as identified in previous years and has been reviewed for all the risks associated with the functioning of a smaller authority.  |
| <i>Is there evidence that risks are being identified and managed?</i>   | Yes | Council has taken steps to identify, assess and record the risks associated with its actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences and that appropriate action has been taken to ensure measures are in place to mitigate and manage the risk.   |
| <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 | <p>Council has insurance in place under a Parish Protect Policy which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m; Business Interruption: £5k and Fidelity Guarantee of £25k.</p> <p>The level of Fidelity Guarantee meets the recommended guidelines which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.</p> <p><i>Council has evidenced via a minute reference, that the RFO has undertaken a review of the insurance effected by the Council and that there are no further undertakings requiring additional premiums and that at renewal, Council is in a three-year long-term undertaking.</i></p> |
| <i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>  | Yes | <p>In accordance with the Accounts and Audit Regulations 2015, Council reviewed the effectiveness of the system of internal control as described under its Statement of Internal Control at its meeting of 30<sup>th</sup> March 2021.</p> <p>The review of the system of control took place on 30<sup>th</sup> March 2021 with the findings being reported to full Council at the meeting of the same date.</p>  |

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

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|  |     | <i>Council has shown good practice and understands the requirement to have in place safe and efficient arrangements to safeguard public money and has used the control checks identified to ensure that all agreed measures are in place thereby assessing that it mitigates such risks and that the findings are reported back to full Council in a timely manner.</i>   |
| <i>Evidence that a review of the effectiveness of internal audit has been carried out during the year<sup>5</sup></i>  | Yes | <p>The effectiveness of internal audit was discussed by full Council within the review of Internal Audit at a meeting of 14<sup>th</sup> July 2020 and also within the Internal Control Statement submitted and approved at a meeting of 30<sup>th</sup> March 2021.</p> <p><i>By reviewing the terms of reference and effectiveness for internal audit the council has followed guidance and demonstrates 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.</i></p> |
| <p><b>Additional comments:</b><br/> <i>Council's Internal Control Statement makes reference to External Audit – "the council's external auditors, submit an annual certificate of audit which is presented to the council" – Council might wish to review this statement as during the past year as well as this year it has applied for / will be applying for an exemption from the limited assurance review as it is a smaller authority with gross income and expenditure under £25,000.</i></p> |     |   |

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| <p><b>Section 5 – Budgetary controls</b><br/>                 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> |     |  |
| <b>Evidence</b>   |     | Internal auditor commentary  |
| <i>Verify that budget has been properly prepared and agreed</i>   | Yes | The budget for the year 2020–2021 in the sum of £5,380 was set at a full Council Meeting on 14 <sup>th</sup> January 2020 with Council agreeing to increase the contingency reserve element of the budget. |

<sup>5</sup> Governance and Accountability Guide

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| <p><i>Verify that the precept amount has been agreed in full Council and clearly minuted</i></p>  | <p>Yes</p>               | <p>The precept for the year 2020-2021 in the sum of £5,380 was approved by full Council at the meeting of 14<sup>th</sup> January 2020 with the amount to be requested clearly evidenced in the minutes of that meeting.</p>   |
| <p><i>Regular reporting of expenditure and variances from budget</i></p>  | <p><i>Partly met</i></p> | <p>At each meeting, Council is informed of the financial position with the financial records being made available for inspection in accordance with Council's own Standing Order 17c.</p>  |
| <p><i>Reserves held – general and earmarked<sup>6</sup></i></p>   | <p>Yes</p>               | <p>Council's final accounts show general reserves in the sum of £5458.77.</p> <p><i>Council is reminded of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> |
| <p><b>Additional comments:</b><br/> <i>Budget: Council has shown good practice by following the recommended key stages as to the budgetary process to be followed for the year:</i></p> <ul style="list-style-type: none"> <li>• <i>decide the form and level of detail of the budget;</i></li> <li>• <i>review the current year budget and spending;</i></li> <li>• <i>determine the cost of spending plans;</i></li> <li>• <i>assess levels of income;</i></li> <li>• <i>bring together spending and income plans;</i></li> <li>• <i>provide for contingencies and consider the need for reserves;</i></li> <li>• <i>approve the budget;</i></li> <li>• <i>confirm the precept or rates and special levies.</i></li> </ul> <p><b>Recommendation: Council should however note the requirement to:</b></p> <ul style="list-style-type: none"> <li>• <b>review progress against the budget regularly throughout the year.</b></li> </ul> <p><b>Recommendation: Council should note guidance as issued under the Practitioners Guide 2020 which states that an authority needs to have regard to the need to put in place a General Reserve Policy.</b></p> |                          |  |

<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>  |                |   |
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| 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>   | Yes            | Income is recorded in accordance with Council’s Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order.  |
| <i>Is income reported to full council?</i>  | Yes            | Income received is reported to full Council within the financial reports submitted at each meeting and summarised as income received to date. 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 £5,478 during the year under review in April and September 2019. Evidence was provided showing a full audit trail from Precept being discussed and approved at the meeting of 14 <sup>th</sup> January 2020, 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>  | Not applicable | Council did not receive any CIL receipts in the year under review.  |
| <b>Additional comments:</b>   |                |   |

| <b>Section 7 – petty cash</b>  |  |                             |
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| 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 |
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<sup>7</sup> Community Infrastructure Levy Regulations 2010

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| <i>Is petty cash in operation?</i>                                   | <i>Not applicable</i> | Council does not operate a petty cash system. |
| <i>If appropriate, is there an adequate control system in place?</i> | <i>Not applicable</i> |   |

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| <p><b>Section 8 – Payroll controls</b><br/>                 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 201, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.</p> |                       |  |
| <b>Evidence</b>   |                       | <b>Internal auditor commentary</b>   |
| <i>Do all employees have contracts of employment?</i>   |                       | Council had 1 employee on its payroll at the period end of 31 <sup>st</sup> March 2021. Employment contracts were not reviewed during the internal audit which was carried out via remote means.   |
| <i>Has the Council approved salary paid?</i>  | Yes                   |  |
| <i>Minimum wage paid?</i>   | <i>Not applicable</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>  | Yes                   | The payroll function is operated in accordance with HM Revenue and Customs guidelines.   |
| <i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>   | <i>Not applicable</i> | The payroll function for the year under review was carried out by SALC and is operated in accordance with HM Revenue and Customs guidelines. There were no applicable deductions due to be paid to HM Revenue and Customs for the year under review.   |
| <i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>  | Yes                   | During the previous year, Council completed its re-declaration of compliance with regards to automatic enrolment duties with no staff being automatically re-enrolled. This was reported to full Council at its meeting of 10 <sup>th</sup> September 2019. Compliance was further evidenced by the Council at the meeting of 4 <sup>th</sup> August 2020. |

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

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| <i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>   | Yes | Council approves all expenses due to be paid to the Clerk in accordance with its own Financial Regulations. |
| <b>Additional comments:</b><br><i>There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i> |     |   |

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| <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. |
| <i>Are the value of the assets included? (note value for insurance purposes may differ)</i>  | Yes            | It is noted that the declared value for all assets at year-end (31.03.2021) was £4,366 which shows no movement in the register since the value as declared on 31 <sup>st</sup> March 2020.        |
| <i>Are records of deeds, articles, land registry title number available?</i>   | Not applicable | None were reviewed or submitted during the internal audit process.  |
| <i>Is the asset register up to date and reviewed annually?</i>   | Yes            | The asset register is still to be signed off by the council although it is stated as £4,366 on the AGAR to be presented to full Council.  |
| <i>Cross checking of insurance cover</i>   | Yes            | Council has insurance for its fixed assets under a Parish Protect Policy for assets to the value of £20,000.  |
| <b>Additional comments:</b>  |                |   |

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

*Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2020 on the valuation of its assets and has ensure that where the acquisition value of the asset at the time of first recording is used, that method of valuation is consistently applied. Should this be amended Council will need to publish and provide explanations in changes in value to any previously recorded assets.*

| <b>Section 10 – bank reconciliation</b>  |     |   |
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| The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.  |     |   |
| Evidence   |     | Internal auditor commentary   |
| <i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>   | Yes | Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the detailed financial reports submitted at each meeting.  |
| <i>Do bank balances agree with bank statements?</i>  | Yes | Bank balances agree with period end statements and, as at year end (31 <sup>st</sup> March, the balance across the councils accounts stood at £5,458.77 as recorded in the Draft Statement of Accounts.   |
| <i>Is there regular reporting of bank balances at Council meetings?</i>  | Yes | Financial reports are submitted to the Council on a monthly basis which not only includes a bank reconciliation but also a monthly summary of receipts and payments for the year to date along with variances from budgets. The 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 and therefore aids decision-making. |
| <b>Additional comments:</b>  |     |   |
| <i>In accordance with Proper Practices, Council has implemented a system whereby a Councillor carries out a review of the Council's banking internal control by formally signing off the bank reconciliation. This is not only good practice but also is a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i> |     |   |

| <b>Section 11 – year end procedures</b> |  |
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| <b>Evidence</b>  |     | <i>Internal auditor commentary</i>  |
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| <i>Are appropriate accounting procedures used?</i>   | Yes | Accounts are produced on a receipts and expenditure basis.  |
| <i>Financial trail from records to presented accounts</i>  | Yes | There is an underlying financial trail from financial records to the accounts produced.   |
| <i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>   | Yes | As the Council is a smaller authority with gross income and expenditure not exceeding £25,000 it has completed Section 2 of Part 2 of the AGAR.   |
| <i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>   | Yes | As the Council was a smaller authority with gross income and expenditure not exceeding £25,000 during the year 2019/20, it was able to certify itself as an exempt authority. At the meeting of 13 <sup>th</sup> May 2020, Council agreed that it would be exempt from an external audit due to its gross income and expenditure not exceeding £25,000.   |
| <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 the arrangements for the exercise of public rights for the period under review and can confirm that the dates set for the year ending 31 March 2020 were from Monday 13 <sup>th</sup> July until Friday 21 <sup>st</sup> August 2020.   |
| <i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>   | Yes | The council has complied with the requirements of the Regulations for smaller authorities with income and expenditure not exceeding £25,000 as the following were published on the public website operated by the Council: <ul style="list-style-type: none"> <li>• Certificate of Exemption, page 3</li> <li>• Annual Internal Audit Report 2020/21, page 4</li> <li>• Section 1 – Annual Governance Statement 2020/21, page 5</li> <li>• Section 2 – Accounting Statements 2020/21, page 6</li> <li>• Analysis of variances</li> <li>• Bank reconciliation</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.</li> </ul> |
| <b><i>Additional comments:</i></b>   |     |   |

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

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

| <b>Section 12 – internal audit</b>  |     |   |
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| 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>   | Yes | The Annual Internal Audit for the year ending 31 <sup>st</sup> March 2020 was considered by full Council at its meeting of 14 <sup>th</sup> July 2020. The meeting noted the two advisories and agreed an action plan to address the issues raised. At the same meeting council considered that the standards were being met and that the work of Internal Audit was effective. |
| <i>Has appropriate action been taken regarding the recommendations raised?</i>  | Yes | The following recommendations were made within the audit report for the year ending 31 March 2020: <ol style="list-style-type: none"> <li>1. Council should consider the adoption of the NALC Financial Regulations at renewal</li> <li>2. Exemption status must be declared at a meeting of the authority with a minute reference made</li> </ol>                              |
| <i>Has the Council confirmed the appointment of an internal auditor?</i>  | Yes | SALC was appointed as the Council's Internal Auditor at a meeting of the Council on 2 <sup>nd</sup> June 2020 for the period under review.  |
| <b>Additional comments:</b>   |     |   |

| <b>Section 13 – external audit for the period under review</b>  |                                    |
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| 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> |
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| <i>Has the previous external audit report been considered by the Council?</i> <sup>12</sup> | <i>Not applicable</i> | As Council was a smaller authority with gross income and expenditure under £25,000 it was able to certify itself as exempt from a limited assurance review. |
| <i>Has appropriate action been taken regarding the comments raised?</i>                     | <i>Not applicable</i> | See comment above.  |
| <b>Additional comments:</b>   |                       |   |

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| <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><br><i>(note to auditor- emergency Regulations as a result of the COVID-19 pandemic)</i> <sup>f14</sup>        | Yes               | Council did not hold an Annual Meeting during the year under review.<br><br>In recognition of this being unprecedented times and following the Government’s guidelines for staying at home and working remotely, the Government included within s.78 in the Coronavirus Act 2020 (made 4 <sup>th</sup> April 2020) the ability for the Secretary of State the power to make Regulations to make provisions for the holding of meetings. The 2020 Regulations set out those provisions. Council has followed these regulations and held its meetings online. |
| <i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>   | <i>Partly Met</i> | Council is reminded that minutes become legal once they are approved by the council and signed by the chairman of that meeting as an accurate   |

<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> 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

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|   |                       | <p>record. Loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page.</p> <p><i>Council should consider implementing a system whereby the minutes follow a clear numbering system for easy reference.</i></p>   |
| <p><i>Is there a list of members' interests held?</i></p>   | <p>Yes</p>            | <p>Evidence was seen on the District Authority's website of the Register of Interests for all current Parish Councillors.</p> <p><i>Council is reminded that whilst the monitoring officer of the District Council must arrange for the parish council's register of members' interests to be available for inspection in the district and must be published on the district council's website, 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></p>  |
| <p><i>Does the Council have any Trustee responsibilities and if so are these clearly identified in a Trust Document?</i></p>      | <p>Not applicable</p> | <p>The council does not act as the sole trustee for any trusts.</p>   |
| <p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p> | <p>Yes</p>            | <p>To ensure compliance with the requirements of the Transparency Code for smaller authorities (turnover not exceeding £25,000), Council is aware that the following should be published on a public website for the year 2020/2021 not later than 1 July:</p> <ul style="list-style-type: none"> <li>Internal Audit Report</li> <li>List of Councillors and Responsibilities</li> <li>Items of Expenditure Above £100 including recoverable and non-recoverable VAT</li> <li>End of Year Accounts</li> <li>Annual Governance Statement</li> <li>Asset Register</li> </ul> <p>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.</p> |

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| <i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>   | Yes                   | The Council is correctly registered with the ICO as a data controller. Registration Certificate ZA55855 refers.  |
| <i>Is the Council compliant with the General Data Protection Regulation requirements?</i>  | Yes                   | The Council has taken steps to ensure compliancy and has a suite of policies which provide details as to the information held by the council, who it is shared with and how it is used.<br><br><i>Council might wish to ensure such documentation is reviewed on an annual basis and updated with changes in legislation and populated with a review date and further planned reviews.</i>   |
| <i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>   | No                    | The Council has failed to publish on its website a website accessibility and there is no evidence to demonstrate that the Council has checked its website for any accessibility problems or produced a plan to address these problems and fix them 'within reason'.<br><br>Guidance can be found on SALC's website:<br><a href="https://www.salc.org.uk/advice/website-accessibility-regulations/">https://www.salc.org.uk/advice/website-accessibility-regulations/</a> |
| <i>Is there evidence that electronic files are backed up?</i>  | Yes                   | The Clerk ensures that the Council's records are backup in the manner approved by the Council.   |
| <i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>  | <i>Not applicable</i> | Council does not operate a committee system.   |
| <p><b><i>Additional comments:</i></b><br/> <b>Recommendation: As The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 are now in force, Council should ensure that at the very minimum it publishes on its website, a Website Accessibility Statement, which has identified the areas which are not accessible and shows that Council has a forward plan so that it can make changes to improve this.</b></p> |                       |  |

Signed: Victoria S Waples

Date of Internal Audit Visit: 15.04.2021 Date of Internal Audit Report: 19.04.2021

On behalf of Suffolk Association of Local Councils

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

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