

## Internal Audit Report for Reydon Parish Council for the year ended 31<sup>st</sup> March 2022

Clerk	Julie Jordan
RFO (if different)	
Chairperson	Pam Cyprien
Precept	£ 28,500.00
Income	£ 32,515.98
Expenditure	£ 29,287.89
General reserves	£ 22,860.97
Earmarked reserves	£ 25,887.00
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:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2020/21 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

<b>Section 1 – proper bookkeeping</b>		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses an excel spreadsheet to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the parish council are as accurate as reasonably practicable.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The Responsible Financial Officer (RFO) has continued to ensure that the cashbook is the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system. The cashbook is reconciled on a monthly basis.
<i>Is the arithmetic correct?</i>	<i>Partly met</i>	A number of spot checks were carried out and the functionality of the cashbook was found to be in order and the following error is noted: the RFO has allocated the Local Tax Base Grant of £350.00 within the column headed Precept. <i>Comment: this error should be corrected as it will impact on the Accounting Statements as produced – Box 2 and 3 of the Annual Governance and Accountability Return.</i>
<b>Additional comments:</b>		Was corrected at last meeting, Esc precept included land tax

<b>Section 2 – Financial Regulation and Standing Orders</b>		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council reviewed its Standing Orders at its meeting of 20 <sup>th</sup> May 2021. Those seen on the website have a review date of July 2020 and are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.

Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations were reviewed at a meeting of 18 <sup>th</sup> March 2021, a copy of which can be found on the Council's website and are based on the Model Standing Orders produced by NALC in 2019.
Has the Council properly tailored the Financial Regulations?	No	The Council's Financial Regulations have not been tailored to the Parish Council as there is still the use of [square] brackets which contain information which should be tailored to each council as appropriate.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	Whilst Council did not reconfirm the appointment of the Clerk during the year under review in accordance with Section 151 of the Local Government Act 1972(d) (financial administration), it is noted that the internal audit for the year ending 31 <sup>st</sup> March 2021 states that the Council confirmed at its meeting of 22 <sup>nd</sup> October 2020, that the Clerk was to act as the appointed person to be responsible for the administration of the financial affairs of the relevant authority.
<p><b>Additional comments:</b> Council might wish to note the amendments to the thresholds for procuring contracts as advised under LTN87 (as produced by NALC). The amended values should be incorporated into the Council's Standing Orders and Financial Regulations at the next annual review and Council is advised to insert a review date ensuring that there is evidence to demonstrate that they are regularly reviewed, fit for purposes and adhered to. <a href="#">To be done when next reviewed although we do not do contract procuring as this would have to be a very large contract</a></p>		

<p><b>Section 3 – Payment controls</b></p> <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	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

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

		audit. Payments made away from the meeting are also 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 Financial Regulations. Council has implemented the procedure whereby evidence is retained showing which Councillors authorised the release of the payment by having the invoice initialled by the members who authorise the online payment.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is clearly identified in the ledger book and claimed in accordance with the guidelines for local authorities and similar bodies. The claim for the period to 31 <sup>st</sup> March 2022 in the sum of £1275.19 as submitted was reviewed during the internal audit review.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	Yes	Council confirmed its eligibility to adopt the General Power of Competence at a meeting of 21 <sup>st</sup> May 2020. The internal audit for the year ending 31 <sup>st</sup> March 2021 provided guidance to the Council on eligibility to use the General Power of Competence which is repeated below. <i>Comment: Loss of Eligibility - if the council loses its qualified clerk or has insufficient elected councillors, then it must record its ineligibility at the next 'relevant' annual meeting of the council (after the ordinary election). If it has already started an activity under the GPOC for which there is no other specific power, it remains eligible for the purpose of completing that activity, but it can't start anything new under the power until it is in a position to make the formal decision that it meets the criteria. The council must go back to identifying whether it has a specific power to act and use the restricted s137 if there is no appropriate specific power.</i>
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	<i>Not applicable</i>	The Council was able to use the General Power of Competence to incur expenditure that in its opinion is in the interests of and will bring benefit to its area and any of it or all of some of its inhabitants. <i>Comment: see comment above with regards to new projects.</i>
Arre payments of interest and principal sums in respect of loans paid in accordance with agreements?	No	The Council has no such loans.

<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.

We did have the power of competence with Jean and apparently we still have it but I would prefer to use S106 as I am not qualified and we do not have fully elected councillors

**Recommendation: Upon a review of a sample of payments made, it is noted that the Council approved a payment as a donation towards the Churchyard Appeal. Council should note that the Local Government Act 1894 precludes expenditure on cemeteries in churchyards unless closed and as such prohibits Council's involvement in property relating to the affairs of the Church e.g. maintenance or improvement of buildings or land or contributing to the costs.**

<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>	Yes	The risk assessment documentation submitted for Internal Audit provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Assessment for the year under review was adopted by full Council at its meeting of 20 <sup>th</sup> May 2021.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Assume so	Council has insurance in place under a Parish Protect Policy with Royal and Sun Alliance with Public liability at £10million and Public/Products Liability at £10million.  The full schedule was not provided to the internal auditor so the level of Fidelity Guarantee cannot be confirmed.  <i>Comment: Council should ensure that it is operating within the recommended guidelines which state that the level of Fidelity Guarantee should be at least the sum of the year-end balances plus 50% of the precept/grant being received in April of the following year.</i>

This is okay

		<p>A review of the insurance cover to be provided was noted at the meeting of 1<sup>st</sup> October 2021 at which Council agreed to accept the insurance renewal. The Clerk reported that the premium had been fixed for here years.</p> <p><i>Comment: Council has noted that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, have been taken to mitigate and manage the risk.</i></p>
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	Yes	<p>The Council's internal control measures are contained within its Internal Control Statement which was presented to and adopted by full Council at its meeting of 20<sup>th</sup> May 2021. The interim review of the council's internal controls as carried out were also received at the same meeting.</p> <p><i>Comment: In accordance with the Accounts and Audit Regulations 2015, Council is aware that it should formally review the effectiveness of its system of internal control to ensure that it has mitigation measures on place to address the risks associated with the management of public finances.</i></p>
<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>	Yes	<p>The effectiveness of internal audit was reviewed and adopted by full council at its meeting of 20<sup>th</sup> May 2021. It is also covered within an internal Control review as reported at the meeting of 17<sup>th</sup> June 2021.</p> <p><i>Comment: by reviewing the terms of reference and effectiveness for internal audit, the council has followed guidance and demonstrated that it recognises that the function of internal audit is to test and report to the authority on whether its system of internal control is adequate</i></p>
<b>Additional comments:</b>		
<b>Section 5 – Budgetary controls</b>		

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

<sup>5</sup> Practitioners Guide

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		Internal auditor commentary
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021-2022 in the sum of £28,000 was approved at the Council meeting of 17 <sup>th</sup> December 2020 although there is no detail as to the amount being set within the minutes of that meeting. <i>Comment: to provide clarity on the budget being set and to demonstrate that Council has decided the form and level of detail of the budget to be set, evidence should be shown, via a minute reference, as to the budget being formally approved.</i>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £28,500 for 2021/2022, as confirmed at the meeting of 21 <sup>st</sup> January 2021. <i>Comment: In accordance with guidance, Council is advised to consider demonstrating within the minutes the impact the precept being set will have upon a Band D property, as compared to the previous year,</i>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Quarterly statements summarizing the Council's receipts and payments and aggregate receipts and payments for the year to date with balances held is submitted and considered by the Council. The reports provide evidence of comparisons between budgeted and actual income and expenditure and form the basis of approval for virements in accordance with Council's own Financial Regulations.
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	Council's final accounts show general reserves in the sum of £ 22,860.97 with earmarked reserves in the sum of £25,887.00. <i>Comment: Council might wish to note guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general 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</i>

<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

		<i>and intended purposes and their level subject to regular review and justification (at least annually).</i>
<b>Additional comments:</b> Council shows good practice by ensuring the recommended key stages as to the budgetary process are followed for the year and has ensured that progress against the budget is reviewed regularly throughout the year.		

<b>Section 6 – income controls</b>		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council's Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council and included within the Council's Financial Statements as submitted at each relevant meeting. The RFO ensures that monies received are promptly banked.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £28,500 during the year under review in April and September 2021. Evidence was provided showing a full audit trail from Precept being discussed and approved at the meeting of 21 <sup>st</sup> January 2021, served on the Charging Authority to receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Yes	Council received CIL receipts in the sum of £766.57 during the year under review.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received during the year under review is reported to Council in accordance with Council's financial reporting system.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL annual report for 2021/2022 shows that there is a retained balance of £4,986.53 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.

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

<i>Has an annual report been produced?</i>	Yes	Council has approved the Annual CIL Statement showing retained balances.
<i>Has it been published on the authority's website?</i>	No	The Annual CIL Statement for the year 2021 - 2022 has still to be uploaded onto the Council's website.
<b>Additional comments:</b>		Yes it has and has been there since December 2021

<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>	<i>Not applicable</i>	None held by the Parish Council
<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. 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.		
<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 2022. Employment contracts were not reviewed during the internal audit which was carried out via remote means.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are authorised by full Council. The minutes of 17 <sup>th</sup> March 2022 confirm Council's approval to implement the new rates of pay applicable from 1 April 2021 as noted in the 2021-2022 NJC Pay Award.

<i>Minimum wage paid?</i>	No	The minimum wage is not paid to the Council's employee.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on three payments covering salary and found to be in order. There were no deductions due to be paid to HM Revenue and Customs during the year under review.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	The Council is aware of their pension responsibilities and a redeclaration of compliance was made on 29 <sup>th</sup> April 2022 with an acknowledgement from the Pension Regulator dated 30 <sup>th</sup> April 2022 seen by the internal auditor. <i>Comment: Council is aware every three years an employer must put certain staff back into a pension scheme. This is known as 're-enrolment'. This is an employer's legal duty and Council's must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance.</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR. All expenses / payments made are against itemised invoices submitted to and approved by the Finance full Council.
<b>Additional comments:</b>		

**Section 9 – Asset control**  
 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

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

<p>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>		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2022) is £127,981.74 reflecting overall movement during the year of £1315.78 (additional speed gun and dog bin).
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2021 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.  <i>Comments: Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities on the valuation of its assets which requires authorities to apply a reasonable approach to asset valuation which is consistent from year to year. Where amendments to values are made, Council will need to include an explanation in the change to previously recorded assets within the Supporting Statements to the Accounts.</i>
<i>Are records of deeds, articles, land registry title number available?</i>	Not seen	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register is still to be presented to council for formal approved, but it is confirmed that it reflects the figure declared on the Accounting Statements of the AGAR which is still to be approved by full Council. The Council's Asset Register value as seen on the website stands at £127,981.74.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Parish Protect Policy for assets to the value within the banding £100,000 - £150,000..
<b>Additional comments:</b>		

<sup>9</sup> Practitioners Guide

<b>Section 10 – bank reconciliation</b>		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
<b>Evidence</b>		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Evidence was seen showing that bank reconciliations were completed during the year and reconcile with the cash sheets. Overall there is reporting of bank balances within the financial reports submitted at each relevant meeting. <i>Comment: Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities. The council has understood that the bank statements are evidence provided by an independent party as to the state of the council's cash balances thereby allowing the RFO to ensure that any errors or omission in processing transactions are acted upon in a timely manner.</i>
<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 2022), the balance across the councils accounts stood at £48,747.97 as recorded in the Statement of Accounts and Accounting Statements.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	The minutes show that bank reconciliations are received and accepted at each meeting. <i>Comment: Council has appointed a Councillor to review the bank reconciliation and accounts on a quarterly basis and report back to Council on their findings. This is not only to protect the RFO but also fulfils an internal control function.</i>
<b>Additional comments:</b>		

<b>Section 11 – year end procedures</b>	
<b>Evidence</b>	Internal auditor commentary

<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis, and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review.
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.  <b>Recommendation: prior to submission to full Council and the External Auditor, the AGAR should be revisited, and amendments made to BOX 2 and Box 3. Box 2 should only contain the sums received as part of the Precept and not the Tax Grant received from West Suffolk for the year ending 31<sup>st</sup> March 2022. This latter sum should be included in Box 3 – Other Receipts. Done</b>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Not applicable	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<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 is able to confirm that the parish council can demonstrate that it correctly provided for the exercise of public rights as required by the 2015 Regulations. Dates set were from 14 <sup>th</sup> June to 23 <sup>rd</sup> July 2021.
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	Partly met	The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31 March 2021 and published the following on a public website: those in bold were not seen on the website. Internal Audit Report of the AGAR <b>Section 1 – Annual Governance Statement of the AGAR</b> Section 2 – Annual Accounting Statements of the AGAR Section 3 – External Audit Report and Certificate. Notice of the period for the exercise of public rights

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

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

		Notice of the conclusion of audit
<b>Additional comments:</b>		

<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>	Yes	In accordance with Proper Practices, Council considered the internal audit report for the year ending 31 <sup>st</sup> March 2021 at its meeting of 17 <sup>th</sup> June 2021 and agreed an audit plan to take appropriate action of the weaknesses identified.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The internal audit report made the following recommendations: <ol style="list-style-type: none"> <li>1. Retention of evidence as to which members approved the internet banking payment</li> <li>2. Consideration of the guidance on the use of the GPoC</li> <li>3. Consideration of the guidance on the use of s137 of the LGA 1972</li> <li>4. Completion of redeclaration of compliance with the Pension Regulator</li> <li>5. Compliancy with the General Data Protection Regulations.</li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	No	There is no minute reference confirming the appointment of SALC as the Council's internal auditors for the year ending 31 <sup>st</sup> March 2022.  <b>Recommendation: as per proper practices, Council should note that every authority should ensure that they have confirmed and approved the letter of engagement for the procurement of an internal auditor.</b>
<b>Additional comments:</b>		Done for this year

<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>	Yes	At the meeting of full Council of 23 <sup>rd</sup> September 2021, Council considered the report from the External Auditor for the year ending 31 <sup>st</sup> March 2021.
<i>Has appropriate action been taken regarding the comments raised?</i>	<i>None required</i>	The minutes of the above meeting record that there were no matters which come to the attention of the external auditor which have cause for concern that relevant legislation and regulatory requirements had not been met although Council noted the comment submitted under other matters not affecting the external auditor’s opinion which they draw to the attention of the authority: “The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment: The figure in Section 2, Box 6 of the prior year comparative column does not agree to the prior year final signed AGAR. Due to a transcription error. Section 2, Box 6 in the comparative column should read £38,395. Section 1, Assertion 9 has been incorrectly completed, the smaller authority has confirmed that it is not a sole managing trustee and so the response should have been “N/A.”
<b>Additional comments:</b>		

<b>Section 14 – additional information</b>	
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.	
<b>Evidence</b>	<i>Internal auditor commentary</i>

<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.*

<p><i>Was the annual meeting held in accordance with legislation?</i><sup>13</sup>          (Note to auditor- emergency Regulations because of the COVID-19 pandemic)<sup>14</sup></p>	Yes	<p>Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 6<sup>th</sup> May 2021 via the Zoom Videoconferencing platform. In accordance with the repeal of the Coronavirus Act 2020 legislation all meetings held after 7<sup>th</sup> May 2021 were held in person.</p>
<p><i>Is there evidence that Minutes are administered in accordance with legislation?</i><sup>15</sup></p>	Partly met	<p>Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. Minutes seen for internal audit do not demonstrate that each page of the minutes for that meeting has been given a unique reference number.</p> <p><i>Comment: it is noted that some of the minutes on the Council's website are still headed up DRAFT although they have been approved at subsequent meetings.</i></p> <p>Whilst the minutes show resolutions to receive valid reasons for apologies given (where applicable), there is no formal record to show that Council has approved the apologies submitted.</p> <p><b>Recommendation: s85 of the 1972 Act states that "...if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority." Council is advised to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification.</b></p>
<p><i>Is there a list of members' interests held?</i></p>	Not seen	<p>There was no evidence seen of a direct link from the Parish Council's website to the District Authority's website for the Register of Interests for all current Parish Councillors.</p> <p style="text-align: right;"><a href="#">Will get this sorted</a></p>

<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

		<p><i>Comment: Council should be aware 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 or a link providing access to the District's website.</i></p> <p><i>(Openness and transparency on personal interests - A guide for councillors – August 2012)</i></p>
Does the Council have any Trustee responsibilities?	No	Council has no trustee responsibilities.
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	Partly met	Councils with income over £25,000 but under £200,00 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Council is working towards ensuring compliance with the requirements under the Transparency Code 2015.
Has the Council registered with the Information Commissioner's Office (ICO)? <sup>16</sup>	Yes	The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: ZA346259 expiry 1 <sup>st</sup> July 2022.
Is the Council compliant with the General Data Protection Regulation requirements?	Yes	<p>Council has taken action to ensure compliancy and has adopted a Data Protection Policy which details the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.</p> <p><b>Recommendation: Council should consider ensuring the policy is fully tailored to the parish council by completing the sections in [square] brackets, dating the document and inserting a review date to ensure the policy is compliant with regulations. Council should also have in place a policy that details the periods for which documentation will be held along with the methods of disposal (Data Retention Policy) as well as an impact assessment policy which will allow an audit to be carried out on the occasion of the adoption of a new policy which potential GDPR implications.</b></p>

[Will go back to this and get it done](#)

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

<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Yes	The website accessibility statement seen on the Council operated website details the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Partly met	Whilst Council has an email address which is used by the parish council it does not own the account. <i>Comment: Council should note proper guidance and consider using a secure e-mail system with a gov.uk address which is owned by the parish council (section 5.16 of the Practitioners' Guide to Proper Practices – March 2021) and which could be used to support council's official email accounts for officers and councillors. may need to do this</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council ensures that all of its files are back-up to an appropriate medium.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Not applicable	Council does not operate a committee structure.
<p><b>Additional comments:</b>  <i>Transparency Code 2015 - To ensure full compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), the following information should be published in accordance with the required timescales:                  quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000;                  annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations.</i></p>		

Signed: V S Waples

Date of Internal Audit Visit: 06.06.2022 & 09.06.2022

Date of Internal Audit Report: 09.06.2022

On behalf of Suffolk Association of Local Councils

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

<sup>18</sup> Practitioners Guide