

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

Clerk	Vacant
RFO (if different)	
Chairperson	John Stanley
Precept	£ 3,331.38
Income	£10,910.97
Expenditure	£ 4,560.72
General reserves	£ Not known but overall reserves stand at £11,666.20 <i>see comment under section 5</i>
Earmarked reserves	£ <i>see comment under section 5</i>
Audit type	Annual
Auditor name	<b>Victoria Waples</b>
Auditor's comment	It is appreciated that this year has been a difficult one for the Council with changes in staff as well as being without a Clerk for a part of the year with the role being covered by a Councillor who then resigned from the post. However the internal audit is designed to review the actions of the Council and the information available to the internal auditor at the time of the review. Within the Internal Audit Report, a number of weaknesses have been identified. Council will need to work through an audit plan which will take into account measures to ensure that matters raised within this internal audit report are fully considered by the council at the earliest opportunity and which will form the basis for a new Clerk moving forward.

## 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. The cashbook supplied for internal audit is limited in detail and merely confirms the financial transactions of the parish council at any one point in time over budget headings. <i>Comment: Council should consider expanding the cashbook taking into account guidance as issued by the Practitioners’ Guide which will allow the Council to consider amending the manner in which the accounting records are contained to ensure that the daily entries of receipts and expenditure and the matters to which they relate are well referenced to provide an effective tool for the basis of the council’s internal controls.</i>
<i>Is the cash book up to date and regularly verified?</i>	Yes	Those undertaking the role Responsible Financial Officer have ensured that the cashbook is the focus for day-to-day accounting and are 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>	<i>Partly met</i>	A number of spot checks were carried out and the functionality of the cashbook was found to be in order although the following is noted: 1. Cheque number 673 payable to London Zurich for Council’s annual insurance shows gross figures of £325.85 and VAT of £34.91. <i>Comment: the RFO should remove the sum of £34.91 from the VAT column as this is Insurance Premium Tax (a tax on general insurance premiums) and not Value Added Tax and is not reclaimable.</i> 2. The total sum of £3347.38 received from East Suffolk on 30 <sup>th</sup> April 2021 has been allocated against Precept. <i>Comment: the RFO should remove the portion of this sum that is the Local Council Tax Grant (£16) and ensure that it is allocated as a Grant and not Precept in the cash book. <b>This will impact on the figures produced for the Draft Accounting Statements – see section 11 below.</b></i>

**Additional comments:**

**Section 2 – Financial Regulation and Standing Orders**

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.

Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Full Council at its meeting of 18 <sup>th</sup> May 2021, reviewed the Council's Standing Orders. A copy of the Orders can be found on the Council's website 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, although these are dated 11 <sup>th</sup> February 2020.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations (FR) were reviewed at the meeting of 18 <sup>th</sup> May 2021, a copy of which can be found on the Council's website. <i>Comment: as those seen on the website are based on the version produced by NALC in 2016 and are dated 14<sup>th</sup> March 2017, Council should take the opportunity at the next annual review of adopting the Model Standing Orders produced by NALC in 2019 which contain up to date provisions for procuring contracts.</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have 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 had appointed a person (a Councillor following the resignation of the Clerk) to be responsible for the administration of the financial affairs of the relevant authority.

**Additional comments:** 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.

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

<b>Section 3 – Payment controls</b>		
The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	<i>Partly met</i>	Council should ensure that, at each full Council Meeting, a list of all payments due for settlement 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 should also be brought back to full Council as retrospective payments and approved at the next meeting. <i>Comment: Council should ensure that it is operating in accordance with its own Financial Regulation 5.2 and where financial matters are to be discussed they should be an agenda item in their own right and not covered off under “matters arising”.</i>
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is currently not operated by the Council.
Is VAT correctly identified, recorded, and claimed within time limits?	<i>Partly met</i>	From the cashbook supplied, VAT is clearly identified in the cash book and the year-end position is noted. However this should be restated to rad £414.32 (following the removal of £34.91 - IPT). The claim for the period ending 31 <sup>st</sup> March 2021 in the sum of £140.63 was settled in July 2021.
Has the Council adopted the General Power of Competence (GPOC)? <sup>2</sup>	<i>Not applicable</i>	Council is not eligible to exercise the General Power of Competence

<sup>2</sup> Localism Act

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 in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<b>Additional comments:</b>		

<b>Section 4 – Risk management</b>		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<b>Evidence</b>	Internal auditor commentary	
<i>Is there evidence of risk assessment documentation?</i>	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 Register for the year under review was reviewed and adopted by the Council at its meeting of 13 <sup>th</sup> July 2021 but the copy submitted for internal audit is undated. <i>Comment: Council might wish to ensure that having prepared and formally adopted its register of assessed risks, the relevant document is dated with a review date inserted thereby demonstrating that appropriate mitigation measures are in place and are at least annually reviewed.</i>
<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.

<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.

<p><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></p>	<p><i>Partly met</i></p>	<p>Council has insurance in place under a Local Council Policy which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million and Fidelity Guarantee of £25thousand.  <i>Comment: the level of Fidelity Guarantee is sufficient to meet 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 due in April of the following year.</i></p> <p>There is no minute to demonstrate that Council carried out an annual review of its matters concerning insurance.  <i>Comment: Councillors should be aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance. It is advisable that such a review is reference via a corresponding agenda item.</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p><i>No</i></p>	<p>There is no minute to demonstrate that Council, in accordance with the Accounts and Audit Regulations 2015, formally reviewed the effectiveness of its system of internal control to ensure that it has mitigation measures in place to address the risks associated with the management of public finances during the year under review.  <b>Recommendation: Council should note the requirement, under the Accounts and Audit Regulations 2015, to have in place safe and efficient arrangements to safeguard public money. Council should take steps to ensure that it reviews its arrangements to protect public money during the coming year and minutes that such a review has taken place. An Internal Control Statement (model templates are available from SALC) would provide the basis for such an assertion.</b></p>
<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment<sup>5</sup></i></p>	<p><i>No</i></p>	<p>The effectiveness of internal audit was not reviewed during the year.  <b>Recommendation: If Council were to adopt an Internal Control Statement this could be expanded to include the review of the effectiveness of internal audit thereby ensuring that by reviewing the terms of reference and effectiveness for internal audit, the council</b></p>

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

<sup>5</sup> Practitioners Guide

		<b>would follow guidance and demonstrate 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.</b>
<b>Additional comments:</b>		

<b>Section 5 – Budgetary controls</b>		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021-2022 in the sum of £3,576 was approved by full Council at its meeting of 29 <sup>th</sup> January 2021.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £3,331.38 as per the paperwork seen dated 29 <sup>th</sup> January 2021 and approved at the same meeting noting that this was to be a nil increase over the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	There was limited reporting of expenditure and variance from budget along with statements summarizing the Council's receipts and payments and aggregate receipts and payments for the year to date with balances held. <i>Comment: Council should be aware of its own Standing Orders and the timescales in which reports providing evidence of comparisons between budgeted and actual income and expenditure should be submitted to the Council and which form the basis of approval for virements in accordance with Council's own Financial Regulations.</i>
<i>Reserves held – general and earmarked<sup>6</sup></i>	No	There is no breakdown as to the reserves being held but Council's final accounts show an overall reserve in the sum of £11,666.20. <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</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>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>
<b>Additional comments:</b> <i>By following the recommended key stages as to the budgetary process, as well as monitoring actual performance against budget during the year, the Council would have clearly demonstrated that it understood and followed best practice and that it was suitably placed to take corrective action where necessary.</i>		

<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>	Yes	Income is recorded in the cash book 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. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Partly met	There was limited reporting of income received to full Council. <i>Comment: Council is advised to ensure that all income received is included within financial reports submitted to full Council.</i>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £3,331.38 during the year under review in April and September 2021. Evidence was provided showing a full audit trail from the Precept being discussed and approved along with the revised form dated 4 <sup>th</sup> February 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 £3,537.99 during the year under review in October 2021.
<i>Is CIL income reported to the council?</i>	Yes	CIL payments received during the year under review were not reported to full Council in their own right but are recorded in the cashbook which is available to view on the Council's website.

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

<i>Does unspent CIL income form part of earmarked reserves?</i>	<i>Unknown</i>	<b>Recommendation: in accordance with the CIL Regulations, Council should ensure that any retained CIL balances are transferred into an Earmarked Reserve specifically allocated until fully expended.</b>
<i>Has an annual report been produced?</i>	<i>No</i>	The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2022 is still to be prepared.
<i>Has it been published on the authority's website?</i>	<i>No</i>	The Annual CIL Statement for the year 2021 - 2022 has not been uploaded onto the Council's website.
<b>Additional comments:</b>		

<b>Section 7 – petty cash</b>		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
<b>Evidence</b>	Internal auditor commentary	
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	Petty cash is not operated by the 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 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>	Internal auditor commentary	
<i>Do all employees have contracts of employment?</i>	<i>Not applicable</i>	Council had nil employees on its payroll at the period end of 31 <sup>st</sup> March 2022.

<i>Has the Council approved salary paid?</i>	Yes	All salary payments for when the Clerk was in post were authorised by full Council.
<i>Minimum wage paid?</i>	<i>Not applicable</i>	The minimum wage was not applied to any employee during the year under review.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There were suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council 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 was operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	No	Currently Council has no employees and there is no evidence to demonstrate that Council was previously aware of its pension responsibilities. As Council is currently advertising for a new member of staff, it should note that under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called 'automatic enrolment' and details can be found at: <a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a> The link below will also provide further details of Council's obligations as an employer: <a href="https://www.thepensionsregulator.gov.uk/en/employers">https://www.thepensionsregulator.gov.uk/en/employers</a> Council should also note that 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 Councils must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	All expenses submitted were approved by the Council and allocated as such in the cash book.
<b>Recommendation: Council should be 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. Amendments will be required to Box 4 of the Draft Accounting Statements – see section 11.</b>		

<sup>8</sup> The Pension Regulator – [website click here](http://www.thepensionsregulator.gov.uk)

<b>Section 9 – Asset control</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>		
<b>Evidence</b>		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2022) is £20,765.
<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 and if/where amended, it will need to publish and provide explanations in changes in value to any previously recorded assets.
<i>Are records of deeds, articles, land registry title number available?</i>	Yes	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	Whilst the asset register is still to be off by the council, the value of £20,765 is that which is declared as the Council's Assets on the Draft Accounting Statements of the AGAR.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Local Council Policy for all risks cover for its assets as per the value shown on the insurance schedule.
<b>Additional comments:</b>		

<b>Section 10 – bank reconciliation</b>		
<p>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.</p>		

<sup>9</sup> Practitioners Guide

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. However there is limited reporting of bank balances within the financial reports submitted at each meeting. <i>Comment: Council should review its own Standing Order 18c as to the timing and reporting measures to be employed with regards to aggregate receipts and payments and balances held.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	From the bank statements seen, Council's bank balances at 31 <sup>st</sup> March 2022 were £11,666.20 across all of its accounts. <b>Recommendation: see comment under Section 11 for amendments to the Draft Accounting Statements.</b>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Partly met	Latterly, bank balances across the Council's accounts were not reported at all meetings of the Council. <i>Comment: as part of its internal controls, once a new Clerk/RFO is in post, Council is advised to appoint a Councillor to have responsibility for bank reconciliation checks and for such reviews to be evidenced via a minute reference at appropriate internals during the year.</i>
<b>Additional comments:</b>		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis, and all were found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	There is an appropriate audit trail from records to presented accounts.

<p><i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i></p>	<p><i>Partly met</i></p>	<p>As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete Part 2 of the AGAR. The Exemption Certificate as seen was signed on 10<sup>th</sup> May 2022.  <b>Recommendation: Council is advised to revisit the Certificate and correct the recorded income. From the cash book supplied for internal audit review, Council's overall income for the year was £10,911 (£10,910.97).</b></p> <p>Section 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.  <b>Recommendation: Council will need to revisit the Draft Accounting Statements as written ensuring that they are derived from the cashbook and bank statements for the year under review. The amendments to be made are marked in bold</b></p> <table border="1" data-bbox="1086 678 2049 1265"> <thead> <tr> <th></th> <th>Draft Figures for 21/22</th> <th>Amendments</th> <th>Corrected Figures</th> </tr> </thead> <tbody> <tr> <td>Box 1</td> <td>5316</td> <td>Nil</td> <td>5316</td> </tr> <tr> <td>Box 2</td> <td>3347</td> <td>Remove LCTS – 16</td> <td><b>3331</b></td> </tr> <tr> <td>Box 3</td> <td>7422</td> <td>Add LCTS + 16 Add Vat Reclaim + 141 Add Interest +1</td> <td><b>7580</b></td> </tr> <tr> <td>Box 4</td> <td>1299</td> <td>Only Clerks salary should be used: April 272.48; June 600; Sept. 285.01</td> <td><b>1157</b></td> </tr> <tr> <td>Box 5</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Box 6</td> <td>7713</td> <td>Total expenditure of 4560.72 less staff costs of £1157.49</td> <td><b>3404</b></td> </tr> <tr> <td>Box 7</td> <td>7013</td> <td>To equal bank balances as at 31.03.22 across all accounts</td> <td><b>11666</b></td> </tr> <tr> <td>Box 8</td> <td>7013</td> <td>To equal bank balances as at 31.03.22 across all accounts</td> <td><b>11666</b></td> </tr> </tbody> </table>		Draft Figures for 21/22	Amendments	Corrected Figures	Box 1	5316	Nil	5316	Box 2	3347	Remove LCTS – 16	<b>3331</b>	Box 3	7422	Add LCTS + 16 Add Vat Reclaim + 141 Add Interest +1	<b>7580</b>	Box 4	1299	Only Clerks salary should be used: April 272.48; June 600; Sept. 285.01	<b>1157</b>	Box 5	0	0	0	Box 6	7713	Total expenditure of 4560.72 less staff costs of £1157.49	<b>3404</b>	Box 7	7013	To equal bank balances as at 31.03.22 across all accounts	<b>11666</b>	Box 8	7013	To equal bank balances as at 31.03.22 across all accounts	<b>11666</b>
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<sup>10</sup> Annual Governance & Accountability Return (AGAR)

<i>Did the Council meet the exemption criteria and correctly declare itself exempt?</i>	Yes	As the Parish Council did not have gross income and expenditure exceeding £25,000 it was able to declare itself exempt from a limited assurance review for the year 21/22, as demonstrated by the minutes from the meeting of 8 <sup>th</sup> June 2021.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	No	The Internal Auditor is unable to confirm the dates for the exercise of public rights for the year ending 31 <sup>st</sup> March 2021 as the notice for the period of exercise of public rights was not seen on the noticeboard and there was no mention of the dates to be set in the minutes for the year under review.
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	No	The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31 March 2021 and published the following on a public website: Certificate of Exemption Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR The following were not seen on the website: <b>Notice of the period for the exercise of public rights</b> <b>Analysis of variances</b> <b>Bank reconciliation – year end</b>
<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	The Internal Auditor is able to find evidence that, in accordance with Proper Practices, the Council considered the internal audit report for the year ending 31 <sup>st</sup> March 2021. This was conducted at its meeting of 13 <sup>th</sup> July 2021.

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

<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Partly met</i>	<p>The following areas were identified within the Internal Audit Review ending 31<sup>st</sup> March 2021 as requiring improvement :</p> <ol style="list-style-type: none"> <li>1. Consideration of access to online banking</li> <li>2. Review and update Standing Orders</li> <li>3. Compliance with publications clauses under the Transparency Code 2014</li> <li>4. Clerking facilities to be available for all meetings</li> <li>5. Resolve the confusion caused by the sweffling.com and sweffling.life websites</li> <li>6. Adoption of the most recent version of the Model Councillor Code of Conduct</li> <li>7. Annual review of the effectiveness of system of internal control</li> <li>8. Review of the items under insurance and level of cover on an annual basis</li> <li>9. Review and update of fixed assets register</li> <li>10. Publication of the register on the council's website</li> <li>11. Publication in accordance with the requirements of the Accounts and Audit Regulations 2005</li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	At the meeting of 8 <sup>th</sup> March 2022, the appointment of SALC as the internal auditor was approved by full Council.
<p><i>Comment: following the completion of the internal audit, Council should be aware that if it receives a report from the internal auditor, it should consider the matters included in this report and decide what action it needs to take to prevent recurrence of the issues raised. Internal audit reports should inform the council's response to Assertions 2 and 6 of the Annual Governance Statement. As the internal audit report identified areas for development, Council should ensure that it produces an action plan with proposed remedial actions and that the plan identifies the people responsible for delivering improvement and the deadlines for completion of the actions.</i></p>		

<p><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.</p>	
<b>Evidence</b>	<i>Internal auditor commentary</i>

<i>Has the Council considered the previous external audit report?</i> <sup>12</sup>	<i>Not applicable</i>	For the year 2020-2021 the Council was able to declare itself exempt from a limited assurance review.
<b>Additional comments</b>		

<b>Section 14 – additional information</b>		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup> <i>(Note to auditor- emergency Regulations because of the COVID-19 pandemic)</i> <sup>14</sup>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 18 <sup>th</sup> May 2021 in person in accordance with legislation in place at that time. 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.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting with the Chair being given formal approval to sign the minutes. Loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page in accordance with paragraph 41(2) of Schedule 12 to the Local Government Act 1972. At each meeting, t  Whilst the minutes show apologies given (where applicable), on some occasions there is no formal record to show that Council has approved the apologies submitted.

<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

		<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>
<i>Is there a list of members’ interests held?</i>	Yes	Evidence was seen on the District Authority’s website the Register of Interests for all current Parish Councillors along with a link to the website from the council’s own website.
<i>Does the Council have any Trustee responsibilities ??</i>	<i>None held</i>	Council does not have any Trustee Responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	<i>Partly met</i>	Council should be aware that with gross income and expenditure under £25,000 it will be required to follow the Local Government Transparency Code 2014 for smaller authorities. Council should ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (1 <sup>st</sup> July): Internal Audit Report List of Councillors and Responsibilities Items of Expenditure Above £100 including recoverable and non-recoverable VAT End of Year Accounts Annual Governance Statement Asset Register and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014
<i>Has the Council registered with the Information Commissioner’s Office (ICO)?<sup>16</sup></i>	Yes	The Council is correctly registered with the Information Commissioner’s Office (ICO) as a Data Controller Council. Certificate ZB018491 refers.

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

		<p>Council does not appear to have a Model Publication Scheme.  <b>Recommendation: Under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. Council should seek to adopt a Model Publications Scheme which details the information it holds and how it will be made available to the public, at the earliest opportunity and ensure that it is published on its website.</b></p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	<p>Yes</p>	<p>Council has taken steps to ensure compliancy with the regulations as written 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.  <b>Recommendation: Council is also advised to adopt a Data Retention Policy which will detail the periods for which documentation will be held along with the methods of disposal.</b> Templates are available from SALC.</p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i></p>	<p>No</p>	<p>There is no website accessibility statement on the Council operated website detailing 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.  <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>

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

<i>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Yes	Council has its own email address which is owned by the parish council and not connected to a personal email account. <i>Comment: Council might wish to 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).</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	It is noted that Council has in place a system whereby back-up of the council's data is stored in an appropriate manner.
<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 system.
<b>Additional comments:</b>		

Signed: V S Waples

Date of Internal Audit Visit: 12.06.2022 & 23.06.2022

Date of Internal Audit Report: 23.06.2022

On behalf of Suffolk Association of Local Councils

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<sup>18</sup> Practitioners Guide