

Internal Audit Report for Stoke by Clare Parish Council for the year ending 31st March 2021

Clerk	Judith Dignum
RFO (if different)	
Chairperson	Edwin Smith
Precept	£17,518.00
Income	£20,578.32
Expenditure	£25,711.34
General reserves	£20,763.86
Earmarked reserves	£3,300.22
Audit type	Annual
Auditor name	Vicky Waples

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

Section 1 – proper bookkeeping		
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.		
Evidence		<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.
<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 the manner in which the payment was made and identified expenditure and income at any given point.
Additional comments:		
<i>For further transparency and scrutiny, the RFO, in accordance with best practice, has referenced all payments and receipts with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>		

Section 2 – Financial Regulation and Standing Orders		
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.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council's Standing Orders as seen on the website are those approved at the meeting held on 29 th October 2018 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?	<i>Partly met</i>	The Council's Financial Regulations, as seen on the website, show that they were last reviewed at a meeting held on 29 th October 2018 and are those based on the 2016 model. <i>Comment: at the next annual review, Council is advised to adopt the Model Financial Regulations produced by NALC in 2019 to ensure that they are up to date with current legislation and regulations.</i>
Has the Council properly tailored the Financial Regulations?	Yes	Council has ensured that its Financial Regulations are fully tailored to the Parish Council by removing the [square] sections and in particular those sections that do not apply to the Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	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.
Additional comments: <i>Council has shown good practice by ensuring that it has in place appropriate measures governing how it operates, provisions for securing competition and regulating the manner in which tenders are invited. However, in accordance with proper practices, Council should ensure that its Standing Orders and Financial Regulations are regularly reviewed, fit for purpose and that Council agrees to adhere to them as written.</i>		

Section 3 – Payment controls		
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.		
Evidence		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	At each scheduled meeting a list of all payments is presented to the meeting with formal approval of such expenditure being shown in the minutes. Within the Risk Assessment Documentation, it is stated that

¹ Section 151 Local Government Act 1972 (d)

		Council has implemented the dual authorisation system whereby two members of the Council sign every cheque or order for payment. The signatories consider each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. In the main, this system was verified as being in place and employed in all payments made by cheque.
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council.
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 year-end position of £1,870.50 is verified in the cashbook and was claimed once the year had closed. This is still to be settled. <i>Comment: The Clerk is in discussion with HM Revenue and Customs and will submit a VAT claim for the period 1st April 2019 to 31st March 2020 once access details are provided to allow future (including past) claims to be made electronically.</i>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	<i>Not applicable</i>	Council does not use the General Power of Competence.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	No	Payments made under this power totalled £1500.00 and cover a grant to the Parochial Church Council of Stoke by Clare for assistance with affraying the costs associated with the running of church finances. Recommendation: Council should be aware that the Local Government Act 1894 prevents expenditure on works relating to the Church. Whilst this may have been challenged, and further guidance is being sought from the Government on this matter, the National Association of Local Councils has advised that whilst there may be legal issues relating to whether later legislation overrides the provisions of the 1894 Act, Council should consider whether it is

² Localism Act

³ 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.

		<p>prudent to make such payments when their validity could be legally challenged.</p> <p>Council might wish to review the briefing note issued by NALC on this matter – L01-18 Financial Assistance to the Church (available to view via the SALC and NALC websites).</p>
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	The Council has no such loans.
Additional comments:		

<p>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.</p>		
Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	<i>No</i>	During the year under review, Council failed to review its financial risk assessment documentation which 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 documentation submitted for internal audit was dated 2018. The 2018 risk assessment documentation submitted for Internal Audit provides limited details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks.
<i>Is there evidence that risks are being identified and managed?</i>	<i>Partly met</i>	Whilst Council might be aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money, there is no 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.

		Recommendation: Council might wish to consider adding the review of the effectiveness of Internal Audit within its consideration of the adoption of an Internal Control Statement as recommended above.
<i>Additional comments</i>		
Recommendation: Financial Risk Assessment – Council should be aware that in order to answer in the positive to Assertion 5 – risk management - the parish council needs to be able to confirm that it has identified, assessed and recorded the risks associated with its actions and that it has undertaken a review of its risk register not less than annually. Council should also recognise that this activity is the responsibility of Council who will be expected to demonstrate that having identified and assessed the risks associated with its actions during the year, it has appropriate measures in place to mitigate and manage the risk.		

Section 5 – Budgetary controls		
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		
Evidence		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 was set at meeting of full Council of 2 nd December 2019.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept for the year 2020/2021 was set at the meeting of 2 nd December 2019 with the minutes evidencing that it would be set at £17,518, representing an increase of £2018 (13%) on that for 2019/20.
<i>Regular reporting of expenditure and variances from budget</i>	Partly met	Within the files submitted for internal audit there was limited evidence that reports detailing comparisons between budgeted and actual income and expenditure were submitted and considered by full Council.
<i>Reserves held – general and earmarked⁶</i>	Partly met	The paperwork submitted for internal audit show general reserves in the sum of £20,763.86 with earmarked reserves in the sum of £3,300.22. <i>Council might wish to be aware 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</i>

⁶ In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

		<p><i>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). At the current level, Councils general reserves are considered to be excessive.</i></p>
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Additional comments:
 Comment: Council should be aware that in order to demonstrate good practice, it should ensure that it follows the recommended key stages as to the budgetary process to be followed for the year:

- decide the form and level of detail of the budget;
- review the current year budget and spending;
- determine the cost of spending plans;
- assess levels of income;
- bring together spending and income plans;
- provide for contingencies and consider the need for reserves;
- approve the budget;
- confirm the precept or rates and special levies; and
- review progress against the budget regularly throughout the year.

Recommendation: in accordance with guidance as issued under the Practitioners Guide, the Council should have regard to the need to put in place a General Reserve Policy with explanations as to the high level of general reserves being held and should evidence that it has reviewed the level and purpose of all Earmarked Reserves. As this is an outstanding audit point from the previous year, Council should take appropriate steps to review the level of General Reserves held.

<p>Section 6 – income controls The internal auditor will seek evidence to ensure income is correct managed – recorded, banked and reported and test mechanisms used to achieve this.</p>		
Evidence		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. The RFO has continued to ensure that the accounting records contain all day-to-day entries of all sums of money received. A number of receipts were cross checked against cashbook and the bank statement and found to be in order.
<i>Is income reported to full council?</i>	Yes	Income received is reported within the financial reports submitted at scheduled meetings. 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 £17,518 during the year under review in April 2020. A full audit trail confirming the Precept being requested to the same being received in the council's bank accounts was seen from the files submitted for internal audit.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	<i>Not applicable</i>	Council did not receive any CIL receipts for the year under review.
<p>Additional comments: Council is reminded of the reporting schedule of its aggregate receipts and payments as adopted within its own Standing Order 17: The Responsible Financial Officer shall supply to each councillor as soon as practicable after 30 June, 30 September and 31 December in each year a statement to summarise: i. the Council's receipts and payments (or income and expenditure) for each quarter; ii. the Council's aggregate receipts and payments (or income and expenditure) for the year to date; iii. the balances held at the end of the quarter being reported and which includes a comparison with the budget for the financial year and highlights any actual or potential overspends</p>		

<p>Section 7 – petty cash 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.</p>		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	Council does not operate a petty cash system.

⁷ Community Infrastructure Levy Regulations 2010

<i>If appropriate, is there an adequate control system in place?</i>	<i>Not applicable</i>	
Additional comments:		

Section 8 – Payroll controls		
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 st 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.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 2 employees on its payroll at the period end of 31 st March 2021. Employment contracts were not reviewed during the internal audit which was carried out by remote means.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are authorised by full council.
<i>Minimum wage paid?</i>		The minimum wage is not applied to any employees.
<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 was carried out by Suffolk Association of Local Councils and is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on sample payments covering salary and PAYE and 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?⁸</i>	Partly met	A note in the Draft Accounts states that in 2020/21, employees were either ineligible or did not wish to subscribe to the Pension Scheme provided by the Council. This was also confirmed by the Clerk when questioned. <i>Comment: Council should consider verifying its position with the Pension Regulator to ensure that it has complied with its duties as an employer.</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>		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 full Council.
<p>Additional comments: <i>There are robust payroll arrangements in place with ensures the accuracy and legitimacy of payments of salaries and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.</i></p>		

<p>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 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?⁹</i>	Yes	The Asset Register as submitted for internal audit and dated at 31 st March 2019, was reviewed 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	The declared value for all assets at year-end of 31 March 2021 remains unchanged at £427,537.46. A note on the asset register states that asset values were changed to reflect insurance values during 2017/18. Since then all values have been retained with additions at acquisition costs. Where

⁸ The Pension Regulator – [website click here](#)

⁹ Governance and Accountability for Smaller Authorities in England – March 2019

		assets have been gifted or where there is no known value, the proxy value of £1 has been given.
<i>Are records of deeds, articles, land registry title number available?</i>	No	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	On the DRAFT Accounting Statements of the AGAR submitted for Internal Audit Council the Asset Register is declared at £427,537 which shows nil movement from that declared for the previous year.
<i>Cross checking of insurance cover</i>	Yes	Council has all risks insurance for assets on its register under generic headings as identified on its insurance schedule.
<p>Additional comments: <i>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></p>		

<p>Section 10 – bank reconciliation 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>		
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	<p>Bank balances agree with the period end statements and, as at year end (31st March), the balance across the councils accounts stood at £24,064.08</p> <p><i>Comment: this year end position is not the sum recorded in the Draft Statement of Accounts.</i></p> <p>Recommendation: Council is advised to revisit the DRAFT Statement of Accounts as produced by the RFO as the figures for 2020-2021 do not cast correctly and do not agree with the total sum of all current and deposit bank accounts as per the bank reconciliation.</p>

<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council.. The RFO ensures that 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.
<p>Additional comments: <i>In accordance with Proper Practises, Council might wish to implement 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></p>		

Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis.
<i>Financial trail from records to presented accounts</i>	<i>Partly met</i>	<p>Whilst there is an audit trail from the financial records held to the presented accounts, as mentioned above the AGAR does not cast correctly and Box 8 does not match the total of the Bank Reconciliation as shown on the Council's Receipts and Payments Cumulative Funds Balance.</p> <p>When the figures are cast for the year ending 31 March 2021 they should match the year-end bank reconciliation of £24,308.68 – as such amendments will be required to the declaration of expenditure for the year under review.</p> <p>Recommendation: Council is advised to revisit the Draft Accounting Statements ensuring that</p> <ul style="list-style-type: none"> a) Box 6 for 2020/21 is incorrectly stated and should read £19925 b) Box 7 for 2020/21 should now read £24064 c) Box 8 for 2020/21 should now read £24064 to match the bank reconciliation

		<p>d) The figures contained within BOXES 2-6 should be verified to ensure that the final position as shown in BOX 7 matches that in Box 8.</p> <p>Council should note that for the Accounting Statements to be accurate, BOX 7 and BOX 8 must balance as Council produces its accounts on a receipts and payments basis.</p>
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it has completed complete Part 3 of the AGAR which is still to be presented to full Council for approval and signature.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	No	<p>The Council failed to submit an AGAR for the year ending 31 March 2020 and received a Public Interest Report.</p> <p><i>Comment: the Council has noted that, as a result of receiving this public interest report, it will not be eligible to certify itself as exempt from limited assurance review in 2020/21 (if it would otherwise be eligible), as it will have failed one of the qualifying requirements set out in Regulation 9(3) of The Local Audit (Smaller Authorities) Regulations 2015.</i></p>
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	No	The Parish Council failed to correctly provide for the exercise of public rights as required by the 2015 Regulations as there is no evidence of the dates set for the year ending 31 st March 2020.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	No	<p>The Council has not 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 2020 and the year ending 31 March 2021 as the following have not been published on its publicly accessible website:</p> <ul style="list-style-type: none"> Certificate of Exemption Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Bank reconciliation – year end Notice of the period for the exercise of public rights

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

		Analysis of variances
<p>Additional comments: Recommendation: Council must answer in the negative to Assertion 4 of the Annual Governance Statement for 2020/21 as it failed to provide for the exercise of public rights for the year ending 31 March 2020 as well as for the year ending 31 March 2021. Council should ensure that it provides for such rights in future years.</p>		
<p>Section 12 – internal audit 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.</p>		
Evidence		<i>Internal auditor commentary</i>
<i>Has the previous internal audit report been considered by the Council?</i>	No	<p>The Council failed to commission and consider an Internal Audit Report which would have demonstrated that Council as to whether Council had undertaken effective procedures to evaluate the effectiveness of its risk management, control and governance processes taking into account internal auditing guidance for smaller authorities.</p> <p>Recommendation: upon receipt of the internal audit report, 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.</p>
<i>Has appropriate action been taken regarding the recommendations raised?</i>	No	No internal audit report was commissioned by the parish council.
<i>Has the Council confirmed the appointment of an internal auditor?</i>	No	The appointment of SALC as the Council's internal auditor was not confirmed during the year under review.
<p>Additional comments: Recommendation: As Council failed to consider an internal audit report and failed to comply with Regulation 5(1) of the Accounts and Audit Regulations 2015, it therefore arises that Council will be unable to answer in the positive to Assertions 2 and 6 of the Annual Governance Statement.</p>		

Section 13 – external audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be taken into account.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the previous external audit report been considered by the Council?</i> ¹²	<i>See comment</i>	For the year 2019-20, the Council failed to complete an Annual Governance and Accountability Return and received a Public Interest Report.
<i>Has appropriate action been taken regarding the comments raised?</i>	<i>Not applicable</i>	
Additional comments: Recommendation: The Public Interest Report submitted by PKF Littlejohn LLP dated 31 March 2021, has not yet been considered by the Council. Council is advised at the earliest opportunity to consider this public interest report at a public meeting (Council should note that this should have been within one month of the date of the letter issued by PKF Littlejohn. The requirements of Schedule 7 of the Local Audit and Accountability Act 2014 were attached to that letter, and the Council should ensure that it complies with all requirements regarding publicity of the report, consideration at a meeting and publicity of decisions taken at that meeting.		

Section 14 – additional information		
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.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³ <i>(note to auditor- emergency Regulations as a result of the COVID-19 pandemic)</i> ¹⁴	Yes	Council held an Annual Meeting of the Parish Council during the year under review.

¹² 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.*

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

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

		<i>Comment: 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 4th April 2020) the ability for the Secretary of State to have the power to make Regulations to cover the provisions for the holding of meetings. The 2020 Regulations set out those provisions. This also repealed for the year under review, the requirement to hold an Annual Council Meeting in May. Council has followed these regulations and held its meetings via the Zoom Videoconferencing platform.</i>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁵	Partly met	Council should be 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. Whilst at each meeting, the Chair is given formal approval to sign the minutes, a number of approved minutes are still showing as DRAFT on the website.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the District Authority's website of the Register of Interests for the Councillors.
<i>Does the Council have any Trustee responsibilities and if so are these clearly identified in a Trust Document?</i>	Not applicable	
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Partly met	Councils with income over £25,000 but under £200,000 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Council should take steps to ensure compliance with the requirements under the Transparency Code 2015.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> ¹⁶	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation. Reference: ZA323311.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	The Council should consider taking steps to ensure compliancy. <i>Comment: as a minimum a Data Protection Information Management Policy should be adopted which would detail the framework that the public can expect for the handling of requests from individuals who have the right to</i>

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

¹⁶ Data Protection Act 2018

		<i>know what data is held on them, why the data is being processed and whether it will be given to any third party. The Data Protection Policy seen on the Council's website is not compliant with current legislation.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁷</i>	No	The Council has not published 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'. Guidance can be found on SALC's website: https://www.salc.org.uk/advice/website-accessibility-regulations/
<i>Is there evidence that electronic files are backed up?</i>	Yes	
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	No	There are no Terms of Reference shown on the Council's website for the Finance Sub Committee operated by the Council.
<p>Additional comments: <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:</i> <i>quarterly:</i> <i>Individual items of expenditure that exceed £500 (currently published on an annual basis);</i> <i>Government Procurement Card transactions;</i> <i>Invitations to tender for contracts over £5,000;</i> <i>Details of contracts that exceed £5,000;</i> <i>annually:</i> <i>Details of all land and building assets;</i> <i>Grants to Voluntary, Community and Social Enterprise Organisations.</i></p> <p>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.</p>		

¹⁷ Website Accessibility Regulations 2018

Summary:

Whilst a number of weaknesses have been identified, to ensure that Council moves forward and operates in accordance with Proper Practices, reference and guidance should be made to the Joint Panel on Accountability and Guidance Practitioners' Guide March 2021 as issued by NALC [– a link can be found here.](#)

Council should also consider an audit plan to address the outcomes of any negative responses to the AGAR tests and issues as identified within this narrative report which should be read in conjunction with the Internal Audit Report of the AGAR.

Signed: *Victoria S Waples*

Date of Internal Audit Visit: 13.12.2021 & 19.12.2021

Date of Internal Audit Report: 20 December 2021

On behalf of Suffolk Association of Local Councils