

Internal Audit Report for Icklingham Parish Council

for the period ending 31 March 2023

Clerk	Vicky Bright
RFO (if different)	
Chairperson	Cllr. Darren Baugh
Precept	£ 8,900.00
Income	£ 10,864.39
Expenditure	£ 12,627.54
General reserves	£
Earmarked reserves	£ none specified – see below for comment on reserves
Audit type	Annual
Auditor name	Victoria Waples
	Within the Internal Audit Report for the year under review, the internal auditor has highlighted a number of weaknesses which demonstrated that the council had failed to accord with proper accounting and governance practices ('proper practices') referenced to in statute. However, it should also be acknowledged that the Council employed a new Clerk effective 9th December 2022 (first meeting being January 2023) and that the Clerk is working 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.

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 2022/23 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

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		Internal auditor commentary
Is the ledger maintained and up to date?	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.
Is the cash book up to date and regularly verified?	Yes	The Responsible Financial Officer (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>Comment: the Responsible Financial Officer (post 9th December 2022) has ensured that all payments are referenced within the cashbook with payee as well as detail and the minutes with the "authority to pay" in terms of powers being used to incur expenditure.</i>
Is the arithmetic correct?	Yes	A number of spot checks were carried out and the functionality of the cashbook was found to be in order.
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	The Council reviewed its Standing Orders at its meeting in May 2022 and again in March 2023. Those seen on the website are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013 and been adapted

		(where they are not statutory requirements) to ensure that they are relevant to the Parish Council.
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), were also reviewed at the meetings In May 2022 and March 2023. Those on the website are based on the NALC Model Financial Regulations 2019 but Council should be aware of the amendments to procurement levels as outlined under LTN 87 - Procurement – March 2022. <i>Comment: at the next annual review, Council might wish to also review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 and make the changes to the contract value limits from £25,000 to £30,000 for non-central government authorities. The contract value limits are to be calculated inclusive of VAT (effective from 1st January 2022).</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 (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. The Council's FRs confirms that the Clerk is so appointed.
Additional comments:		

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>

¹ Section 151 Local Government Act 1972 (d)

Is there supporting paperwork for payments with appropriate authorisation?	No	<p>Post 9th December 2022, 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 financial statements submitted at each meeting and evidence of such paperwork in the files submitted for internal audit. Good practise is also displayed by ensuring that payments made away from the meeting are formally approved as retrospective payments at each relevant meeting. Prior to December 2022 the minutes do not reflect the recording of or approval of invoices/accounts for payment. In some cases, there is no full audit trail for payments made.</p> <p>Recommendation: Council is recommended to review all decisions taken to incur expenditure between 1st April and December 9th 2022 and bring them back to full Council for formal ratification.</p>
Where applicable, are internet banking transactions properly recorded and approved?	Partly met	<p>Internet banking is operated by the Council. Post 9th December 2022, the RFO has provided the Internal Auditor with full details as to the manner in which internet banking is operated which ensures that the Clerk/RFO is the system administrator who initiates payments which are then authorised electronically by two Councillors. The Clerk/RFO confirmed that all invoices/vouchers for payment are presented for authorisation at each Council meeting as part of the overall financial control framework.</p> <p><i>Comment: it cannot be verified, from the paperwork seen, that prior to 9th December 2022, Council's release of payments was in accordance with its own Financial Regulations 6.4; 6.6 & 6.9 for the authorisation of payments. Post 9th December 2022, it is clear that Council retains a dual authorisation system. It is however noted that there is no mention within the Council's risk assessment to the settlement of council's debts via internet banking.</i></p>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	<p>VAT is identified within the cashbook and claimed in accordance with the guidelines for local authorities and similar bodies. The outstanding year-end position of £968.08 was seen and verified against entries in the cashbook. A claim for VAT refund covering the periods 1st April 2020 to 31st March 2023 in the sum of £4,403.81 was confirmed as having been submitted by the Clerk following a review of the previous years' accounts.</p>

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A	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?	Not used	There were no payments identified in the cashbook as being incurred under this power.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
Additional comments:		

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.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	Yes	During the year under review, Council formally assessed the risks associated with the functioning of a smaller authority. The documentation 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 although there is limited reference to the internal controls associated with online banking. <i>Comment: Council has noted that in accordance with proper practices, it needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences. This must be undertaken annually and cover the year under review.</i>

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 £8.82 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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, in previous years, the parish council had 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. The agenda and corresponding minutes demonstrate that Council reviews and takes appropriate action relating to play equipment and risk activities.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Partly met	<p>Council has insurance in place under a specialist policy for local councils which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million; Business Interruption £10thousand and Fidelity Guarantee of £50thousand.</p> <p><i>Comment: Council's Fidelity Cover is within recommended guidance which states that cover should be equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May.</i></p> <p>There is no minute to reference that, during the year, being 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, annual reviews of the Council's insurance were undertaken prior to renewal.</p> <p><i>Comment: Council is advised to ensure that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i></p>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	No	<p>The Council has not adopted an Internal Control Statement, nor did it review its internal controls during the year under year. Similarly there was no minute reference to demonstrate that Council agreed that the controls operated by it were in place and accurately recorded the risks being managed.</p> <p>Recommendation: In accordance with the Accounts and Audit Regulations 2015, Regulation 6, Council should be aware that it should formally review 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.</p>

⁴ Accounts and Audit Regulations

		<i>Comment: An Internal Control Statement (model templates are available from SALC) would provide the basis for such an assertion.</i>
<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 appointment⁵</i>	No	There was also no formal review of internal audit and its effectiveness, but it is assumed that this would be considered at the appointment of the internal auditor. Recommendation: Council should demonstrate, via a minute reference, that it has complied with Regulation 5 of the Accounts and Audit Regulations 2015 and reviewed the terms of reference and effectiveness for internal audit, thereby demonstrating 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.
Additional comments:		

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 2022-2023 was approved at the Council meeting of 25 th January 2022 but there are no supporting papers detailing the budget being set. From the precept form submitted to West Suffolk Council, it is ascertained that the budget set was £10,200 to be funded by the precept and Council's Reserves (£1,300).
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £8,900 for 2022/2023, as confirmed at the same meeting. <i>Comment: in accordance with guidance, Council might wish to demonstrate best practice by reflecting 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>	Partly met	Prior to the January 2023 meeting, there was no budget monitoring as there were no papers to support the budget set. The meeting of 19 th January 2023,

⁵ Practitioners Guide

		demonstrates that Council reapproved the budget for 2020/2023 in the amended sum of £10,490 and an actual report for the year under review was produced with a projected outcome to 31 st March 2023. <i>Comment: in accordance with Proper Practices, Council should understand how the budget is complied and how it is used in the running of the Council. Reviewing the budget against actual expenditure (at periods set by the council's own standing orders) provides the Council with an early warning against shortfalls or surpluses and enables it to take proactive measures. (Local Government Finance Act 1992).</i>
Reserves held – general and earmarked ⁶	Yes	At year-end Council's accounts show overall reserves in the sum of £6,739.03. <i>Comment: Council should 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 held is in accordance with an adopted General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i>
Additional comment: it is understood that the Council is now in a position to follow the recommended key stages as to the budgetary process 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.		

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.		
Evidence		Internal auditor commentary
Is income properly recorded and promptly banked?	Yes	Income is recorded in accordance with Council's Financial Regulations.

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

<i>Is income reported to full council?</i>	Yes	Post 9 th December 2022, income received is reported to full Council and included within the Council's Financial Statements as submitted in accordance with Council's own Standing Orders. 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 £8,900 during the year under review in April 2022. Evidence was provided showing the Precept being discussed and approved at the meeting of 254 th January 2022, the form being 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?⁷</i>	N/A	Council did not receive any CIL during the year under review.
<i>Is CIL income reported to the council?</i>	N/A	
<i>Does unspent CIL income form part of earmarked reserves?</i>	N/A	
<i>Has an annual report been produced?</i>	N/A	
<i>Has it been published on the authority's website?</i>	N/A	
Additional comments:		

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.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	N/A	Council does not operate a petty cash system.

⁷ Community Infrastructure Levy Regulations 2010

Additional comments:

Section 8 – Payroll controls

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. 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	The council had 1 employee on its payroll at the period end of 31 st March 2023. It was confirmed that the Clerk has a Contract of Employment.
<i>Has the Council approved salary paid?</i>	No	Post 9 th December, all salary payments are authorised by the Council. Prior to 9 th December, whilst payments were made to the Clerk, there were no payslips available for internal audit review. The Internal Auditor is unable to verify that Council has approved the salary paid prior to 9 th December 2022.
<i>Minimum wage paid?</i>	Unclear	It is assumed that the minimum wage was not applied to the employee(s).
<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>	Partly met	Post 9 th December 2022, 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 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 is operated in accordance with HM Revenue and Custom guidelines and outsourced. Cross-checks were completed on payments covering salary post 9 th December 2022 and found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made within the required timescales.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Evidence was seen to demonstrate that Council is aware of its pension responsibilities and has completed its re-declaration of compliance. It is noted that Council's re-enrolment date is 30 th September 2023, and the re-declaration deadline is 29 th February 2024.

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

<p><i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i></p>	<p><i>In progress</i></p>	<p>Whilst settlement of expenses incurred were reviewed and were reasonable, it is noted that within Box 4 on the Annual Governance And Accountability Return, the Clerk's mileage has been included.</p> <p>Recommendation: Council is advised of the Practitioners Guide for 2022 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 (section 2.16) and submitted within Line 4 of the AGAR. Mileage costs are not staff costs for the purpose of Line 4 and Council is advised to revisit the Accounting Statements and make the necessary corrections to Boxes 4 and 6.</p> <p><i>Comment: Council is advised to consider the adoption of an expense policy which would establish the rules under which employees and councillors can claim for legitimate business expenses incurred in the performance of their duties for the Council and ensure that such expenses are treated appropriately for tax purposes.</i></p>
<p>Additional comments:</p>		

<p>Section 9 – Asset control</p> <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>		
<p>Evidence</p>		<p>Internal auditor commentary</p>
<p><i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i></p>	<p>Yes</p>	<p>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 on the Statement of Accounts for 31st March 2023 is stated as £41,493.76 which accurately reflects the value as seen on the register.</p>

⁹ Practitioners Guide

<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 2022 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. Where the purchase price is unknown a proxy price of the value as listed at 31 st March 2023 has been used.
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	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 figures on the Accounting Statements of the AGAR were presented to full Council at its meeting of 10 th May 2023, and it is confirmed that they reflect that which is stated on the asset register which contains up to date information.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as per the insurance schedules seen.
Additional comments:		

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.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Post 9 th December 2022, evidence was seen showing that bank reconciliations were completed and reconciled with the cash sheets. Overall there is reporting of bank balances within the financial reports submitted at the meetings of January and March 2023. <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.</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with the period end statements and, as at year end (31 st March 2023), the balance across the councils accounts stood at £6,739.03 as recorded in the Accounting Statements of the AGAR.

<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	The minutes of January and March 2023 show that bank reconciliations are received and accepted within the Financial Reports as given at each meeting. <i>Comment: Council has implemented a system whereby an appointed Councillor signs the reviewed bank reconciliation and reports back to Council that this has been undertaken. This is good practice as it not only protects the RFO but also fulfils an internal control function.</i>
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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>	No	Given that there is missing background information, the internal auditor is unable to confirm that, during the year under review there was an appropriate audit trail from records to presented accounts.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	Although Council is a smaller authority with gross income and expenditure not exceeding £25,00, given that it received a Public Interest Report for the prior year (2021-2022) it will not be able to consider itself exempt from a limited assurance review. It is therefore required to complete the Annual Governance and Accountability Return Form 3. The Annual Governance Statements and Accounting Statements were completed and signed by the Council at its meeting of 10 th May 2023. Recommendation: Council is advised to review the Annual Governance Statement ensuring that where it has answered in the negative to Assertions 3 and 7, the boxes are actually completed. Council is also advised to review its responses to Assertions 2 and 4 of the Annual Governance Statement - see Section Payment Controls

¹⁰ Annual Governance & Accountability Return (AGAR)

		<p>above with regards to Assertion 2 and see comments below with regards to Assertion 4</p> <p><i>Comment: Council should also note it has still to completed Boxes 5 and 10 for both year; Box 8 for 2021-2022 and Box 11a within the Accounting Statements.</i></p>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	Council failed to follow proper practices the preceding year as it failed to carry out its statutory duty under the Local Audit (Smaller Authorities) Regulations 2015 and produce an AGAR.
<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	<p>The Council did not provide a period for the exercise of public rights for the year under review. Council also failed to approve the AGAR by 1st July 2022.</p> <p>Recommendation: Council should answer in the negative to Assertion 4 of the Annual Governance Statement as it failed to make proper provision for the exercise of the public rights during Summer 2022. Council should ensure that it makes proper provision for the exercise of public rights for the year ending 31st March 2023.</p>
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	No	<p>For the year ending 31st March 2022, Council has not complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 and published the following on a public website:</p> <p>Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Section 3 – External Auditor Report and Certificate of the AGAR Notice of the period for the exercise of public rights Notice of conclusion of audit</p> <p>Recommendation: for the year under review, Council should comply with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 and publish the following on a public website by 1 July 2023:</p> <p>Section 1 – Annual Governance Statement of the AGAR - unaudited Section 2 – Annual Accounting Statements of the AGAR Notice of the period for the exercise of public rights and the following by 30th September 2023: Notice of conclusion of audit Section 3 – External Auditor Report and Certificate</p>

¹¹ Accounts and Audit Regulations 2015

		Sections 1 and 2 of AGAR – including any amendments as a result of the limited assurance review. <i>Comment: it is recommended best practice that the Annual Internal Audit Report is also published.</i>
Additional comments:		
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.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	No	From the files reviewed, it is confirmed that no internal audit had been carried out for the prior year.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	N/A	
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The minutes of 10 th May 2023 confirm the appointment of Suffolk Association of Local Councils as the Internal Auditor for the year ending 31 st March 2023.
Additional comments:		

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 considered.	
Evidence	<i>Internal auditor commentary</i>

<i>Has the Council considered the previous external audit report?¹²</i>	No	As the Council failed to comply with its statutory requirement under the Accounts and Audit Regulations 2015 to prepare an AGAR in the prior year (2021-2022), a Public Interest Report was issued under Schedule 7 of the Local Audit and Accountability Act 2014. The Act requires the Council to consider a public interest report at a public meeting within one month of the date of the report. The Council failed to action this instruction as required by regulations and proper practices, but it is confirmed that at the meeting of 16 th March 2023, Council considered the Public Interest Report. <i>Comment: it is confirmed that as the Council failed to comply with statutory requirement to complete an AGAR in the prior year (2021-2022), it has answered in the negative to Assertion 3 of the AGAR for 2022-2023.</i>
<i>Has appropriate action been taken regarding the comments raised?</i>	No	<i>Comment: As Council also failed to fulfil the requirements of Schedule 7 as instruction by the external auditor and failed to comply with all requirements regarding publicity of the report, consideration at a meeting and publicity of decisions taken at that meeting, it has also answered in the negative to Assertion 7 of the Annual Governance Statement for the year 2022/2023.</i>
Additional comments:		

Section 14 – additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		Internal auditor commentary
<i>Was the annual meeting held in accordance with legislation?¹³</i>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 25 th May 2022 in accordance with legislation in place at that time.

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)

<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	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. <i>Comment: Council is aware that, in accordance with legislation, loose leaf minutes should be numbered consecutively and signed by the Chair of the meeting on each page.</i>
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on the website of Babergh District Council for the Register of Interests for all current Parish Councillors. No access can be gained direct from the Council's website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council has no such responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	In progress	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. <i>Comment: Council should ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (not later than 1 July):</i> <i>Internal Audit Report</i> <i>List of Councillors and Responsibilities</i> <i>Items of Expenditure Above £100 including recoverable and non-recoverable VAT</i> <i>End of Year Accounts</i> <i>Annual Governance Statement</i> <i>Asset Register</i> <i>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>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> ¹⁵	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	No	Council has still to take steps to ensure compliancy with the requirements. Recommendation: to be fully compliant with the General Data Protection Regulation requirements Council should adopt and publish

¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

¹⁵ Data Protection Act 2018

		<p>the following policies on their website: Privacy Statement which would detail some or all of the ways the Council gathers, uses, discloses and manages Officer, Councillor and members of the public data; Data Protection Policy which would detail 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; Data Retention Policy which will detail the periods for which documentation will be held along with the methods of disposal as well as procedures for dealing with subject access; freedom of information requests and procedures for dealing with data breaches.</p> <p>Templates are available from the SALC website.</p>
Has the Council published a website accessibility statement on their website in line with Regulations? ¹⁶	No	<p>Whilst there is no website accessibility statement that demonstrates that the council has checked the website for any accessibility problems or produced a plan to address these problems and fix them 'within reason', there are accessibility tools thereby allowing for the increased functionality of the website</p> <p>Recommendation: as mentioned previously, 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>
Does the council have official email addresses for correspondence? ¹⁷	Yes	<p>Council has a generic email address which is not connected to a personal email account.</p> <p><i>Comment: in accordance with the Practitioners' Guide, Council might wish to consider the use of a secure e-mail system with a gov.uk address thereby identifying that it has local government status and demonstrating authenticity when building trust and credibility with the public. Such an address would be owned by the parish council (section 5.204-5.207 of the Practitioners' Guide to Proper Practices – March 2022) refers.</i></p>
Is there evidence that electronic files are backed up?	Yes	<p>Council uses a system whereby a back-up of the council's data is taken and stored appropriately.</p>

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate with a committee system.
Additional comments:		

Signed: *VS Waples*

Date of Internal Audit Review: 01.07.23 and 03.07.23

Date of Internal Audit Report: 03.07.23

On behalf of Suffolk Association of Local Councils