

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

Clerk	Vacant
RFO (if different)	Simon Ashton
Chairperson	Sue Jones
Precept	£ 2,527.59
Income	£ 4,050.83
Expenditure	£ 7,839.08
General reserves	£ 2,526.18
Earmarked reserves	£ 1,500.00
Audit type	Annual
Auditor name	<b>Victoria Waples</b>

### Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

## Methodology

When conducting the audit, the internal auditor may:

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

<b>Section 1 – proper bookkeeping</b>		
The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses an excel spreadsheet which allows the Responsible Financial Officer (RFO) to produce reports on a Receipts and Payments basis and ensures that the financial transactions of the parish council are recorded and are as accurate as reasonably practicable.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The RFO has used the cashbook as the main focus for day-to-day accounting.
<i>Is the arithmetic correct?</i>	Yes	The accounting records were spot checked – they are well maintained, referenced with details as to the manner in which the payment was made and identify expenditure and income at any given point.
<b>Additional comments:</b>		

<b>Section 2 – Financial Regulation and Standing Orders</b>		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council's Standing Orders, a copy of which were submitted for internal audit are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations, a copy of which were submitted for internal audit, are based on the Model Standing Orders produced by NALC in 2019.
Has the Council properly tailored the Financial Regulations?	No	The Council's Financial Regulations have not been tailored to the Parish Council.

		<b>Recommendation: Council should ensure that its Financial Regulations are tailored to the parish council by removing the [square] sections as this creates confusion as to the intention well as those which no longer apply. In particular, as the Council has a separate Responsible Financial Officer, Financial Regulation 1.8 should be revisited and clarity given on this matter.</b>
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	Following the death of the Clerk/RFO, at the meeting of 16 <sup>th</sup> February 2022, in accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council appointed a person to be responsible for the administration of the financial affairs of the relevant authority initially on a six month contract.
<i>Additional comments: it is unclear from the Orders and Regulations submitted as to when they were adopted and Council might wish to add a review date within the document for clarity thereby ensuring that they are regularly reviewed, fit for purpose and adhered to. Council might also wish to note that LTN87 – Procurement - has provided an update on the thresholds for procuring contracts. The amended values should be incorporated into the Council’s Standing Orders and Financial Regulations at the next annual review.</i>		

<p><b>Section 3 – Payment controls</b></p> <p>The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	At each full Council Meeting a list of all payments is presented to the meeting. It is unclear from the minutes as to whether formal approval of such expenditure is given although payments to be made are shown in the minutes. Upon a review of selected payments, all had been paid in accordance with Council’s FRs with evidence retained as to which

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

		members had released the payments. Payments made away from the meeting are also brought back to full Council as retrospective payments but again it is unclear as to whether approval is retrospectively given. <i>Comment: as has been mentioned within previous audit reports, it is the responsibility of Councillors to satisfy themselves that they have the appropriate legal power to incur expense and that the Council is not undertaking any decisions or payments that are ultra vires. Recording the 'power to pay' either in the cashbook or the minutes meets this requirement and is a good internal control. It is recommended that Council adopts this practise when approving payments to be made and it is understood that this is work in hand by the newly appointed RFO.</i>
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council in the year under review.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is clearly identified in the cash book and should be claimed in accordance with the guidelines for local authorities and similar bodies. The year-end position of £991.40 is verified in the cashbooks.
Has the Council adopted the General Power of Competence (GPOC)? <sup>2</sup>	No	Council does not operate with the General Power of Competence.
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	There were no payments made under this power for the year under review.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<b><i>Additional comments:</i></b>		

<sup>2</sup> Localism Act

<sup>3</sup> Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £8.41 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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>	No	<p>There does not appear to be any reference within the minutes of the year under review to demonstrate that Council carried out an annual risk assessment of the risks associated with the functioning of a smaller authority nor any details of the measures that the Council will undertake to mitigate such risks.</p> <p><b>Recommendation: there is a requirement in the Accounts and Audit Regulations for the Council as a corporate body to undertake a risk assessment. The Council as a whole are responsible for ensuring that the financial management of the council is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the council’s functions and which includes arrangements for the management of risk.</b></p>
<i>Is there evidence that risks are being identified and managed?</i>	No	<p>Council should be aware that risk assessment needs to focus on the safety of the parish council’s assets and in particular its money. This will include the action taken to identify and assess those risks along with consideration as to what actions or decisions need to be taken during the year to manage in order to avoid financial or reputational consequences.</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>	Partly met	<p>Council has insurance in place under a Parish Protect Insurance Policy which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m and Fidelity Guarantee of £25k.  <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.</i></p> <p>There is no minute to show that Council formally reviewed its insurance confirming that all relevant insurances were in place with cover being appropriate prior to granting approval to pay the annual renewal premium.</p>

<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p>No</p>	<p>There is no minute to demonstrate that internal controls were reviewed during the year under review.</p> <p><b>Recommendation: Council should be aware that in accordance with the Accounts and Audit Regulations 2015, 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. It is suggested that Council considers adopting a Statement of Internal Control which would detail the system of internal control applied by the Council and the timescales for review along with responsibility for the monitoring of and reporting of control measures undertaken.</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>No</p>	<p>There is no minute to demonstrate that Council considered the effectiveness of internal audit during the year under review.</p> <p><b>Recommendation: in accordance with proper practices, Council should annually review the terms of reference and effectiveness for internal audit thereby following guidance and 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.</b></p>
<p><b><i>Additional comments: a number of the areas listed above are outstanding audit points from the previous internal audit and the newly appointed RFO is implementing measures to ensure that Council has a clear process to follow to address the weaknesses identified.</i></b></p>		

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

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

<sup>5</sup> Practitioners Guide

<p><i>Verify that budget has been properly prepared and agreed</i></p>	<p>Yes</p>	<p>The budget for the year 2021–2022 in the sum of £3,459 was set at the meeting of 9<sup>th</sup> February 2021 although there is no minute to reflect the amount set. A copy of the budget set was seen on the Council’s website and within the files submitted for internal audit.</p>
<p><i>Verify that the precept amount has been agreed in full Council and clearly minuted</i></p>	<p>Yes</p>	<p>The minutes of 9<sup>th</sup> February 2021, confirmed that the precept requirement for the year 2021/22 would be £2,527.59, which would amount to a zero-change contribution to the council tax bill when compared with the previous year. Council Tax bills.</p>
<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>No</p>	<p>Within the files submitted for internal audit and on the Council’s website there is no evidence that reports detailing comparisons between budgeted and actual income and expenditure were submitted and considered by full Council.</p> <p><b>Recommendation: the RFO is implementing procedures to ensure that the Council is able to demonstrate that it follows proper practices and the recommended key stages as to the budgetary process to be followed for the year (Practitioners’ Guide 5.27 March 2022).</b></p>
<p><i>Reserves held – general and earmarked<sup>6</sup></i></p>	<p>Yes</p>	<p>Council’s final accounts show general reserves in the sum of £2,526.18 with earmarked reserves in the sum of £1,500.  <i>Comment: Whilst there is no upper limit for Earmarked Reserves to be held, they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p>
<p><i>Comment: as previously advised, Council should note guidance as issued under the Practitioners Guide 2020 which states that an authority needs to have regards to the need to put in place a General Reserve Policy with explanations as to the high level of general reserves being held and to have evidenced 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 address the issue raised.</i></p>		

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



<b>Section 6 – income controls</b>		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
<b>Evidence</b>		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council’s Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices.
<i>Is income reported to full council?</i>	Partly met	Occasionally income received was reported to full Council. Monies received are promptly banked.
<i>Does the precept recorded agree to the Council Tax Authority’s notification?</i>	Partly met	The council received a total of £2,550.59 from East Suffolk Council in April 2021. It is assumed that this sum includes the Tax Base Grant offered for 2021-2022. The RFO is unable to locate a copy of the precept form that was submitted early in 2021.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Not applicable	Council did not receive any CIL receipts for the year under review and has no retained balances.
<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>	Not applicable	Council does not operate a petty cash system.

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

<b>Section 8 – Payroll controls</b>		
<p>The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. If the Clerk was recruited after 1<sup>st</sup> April 201, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.</p>		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 <sup>st</sup> March 2022. Employment contracts were not reviewed during the internal audit which was carried out via remote means.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are authorised by full Council.
<i>Minimum wage paid?</i>	Yes	The minimum wage is not applied to the Council employee.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	The payroll function is operated in accordance with HM Revenue and Custom guidelines and outsourced to Suffolk Association of Local Councils. 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	Cross-checks were completed on payments covering salary 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?<sup>8</sup></i>	Yes	The Internal Auditor was provided with a copy of the Declaration of Compliance from the Pension Regulator dated 22 <sup>nd</sup> April 2021 showing that the Council has complied with its duties as an employer.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	All expenses / payments made are against itemised invoices submitted to and approved by the Finance full Council. <i>Comment: Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses</i>

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

		<i>within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR.</i>
<b>Additional comments:</b>		

<b>Section 9 – Asset control</b>		
The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
<b>Evidence</b>		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed within the Parish Council's remit for maintenance and ownership.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	It is noted that the declared value for all assets at year-end (31 <sup>st</sup> March 2022) as per the AGAR is £17,965 (rounded). Assets have either been stated at cost value (fixed at 2010) in accordance with the basis as recommended by the Chartered Institute of Public Finance and Accountability (CIPFA) or where the original costs is unknown have used the insurance value for the overall value for that asset. Where assets have been gifted or where there is no known value have been given the proxy value of £1. <i>Comment: Council is aware that it will need to ensure its applies a reasonable approach to asset valuation which is consistent from year to year. Where it changes its method of asset valuation during a financial year, it will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Return.</i>
<i>Are records of deeds, articles, land registry title number available?</i>	Not covered	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.

<sup>9</sup> Practitioners Guide

<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register shows a value of £17,965 which reflects movement in the register following the purchase of a new grit bin; vehicle active signs; marque and disposal of the council owned laptop and previous marque. <i>Comment: the RFO has ensured that this is the figure shown on the Accounting Statements for the year ending 31<sup>st</sup> March 2022, which are still to be presented to full Council for approval.</i>
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Parish Protect Policy for assets up to the value of £20,000 as specified within its asset register.
<b>Additional comments:</b>		

<b>Section 10 – bank reconciliation</b>		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
<b>Evidence</b>		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis, reconcile with the cash sheets and cover all accounts in the council's name.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 <sup>st</sup> March 2022), the balance across the councils accounts stood at £4,026.18 as recorded in the Statement of Accounts and on the Year-end Bank Reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	<i>Partly met</i>	Limited financial reports detailing bank balances have occasionally been submitted to the Council which also cover a summary of receipts and payments for the year to date. It is unclear from the minutes as to whether the bank reconciliations are accepted at each meeting. <i>Comment: Council should be aware that the balancing off and reconciliation to the bank statement remains the most important control over its accounting system. 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 on a quarterly basis, Such a review should be formally submitted to and noted at relevant Parish Council meetings. This</i>

		<i>is not only good practice but also is a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i>
<b>Additional comments:</b>		

<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis, and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor review.
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete Part 2 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	<i>Partly met</i>	As the Parish Council had gross income and expenditure not exceeding £25,000 it was able to declare itself exempt from a limited assurance review. Council approved the Certificate of Exemption at its meeting of 20 <sup>th</sup> April 2021 and gave permission for the Chair and Clerk to sign the forms outside of the virtual meeting, but there is no minute reference confirming that having considered the eligibility to certify itself, it could apply for an exemption to a limited assurance review.  <i>Comment: Council should note that without formal evidence of the resolution is required to show that a legal decision was taken to claim exemption. Without such formal evidence, the external auditor may only be able to log the parish council's intention to claim exemption and not that exemption has been claimed by the parish council.</i>

<sup>10</sup> Annual Governance & Accountability Return (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>	Yes	The Internal Auditor is able to confirm that the parish council can demonstrate that it correctly provided for the exercise of public rights as required by the 2015 Regulations. Dates set were from 1 <sup>st</sup> July to 11 <sup>th</sup> August 2021.
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	No	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 2021 as not all of the list below were published the following on a public website: Certificate of Exemption <b>Annual Internal Audit Report</b> Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Notice of the period for the exercise of public rights <b>Analysis of variances</b> Bank reconciliation – year-end <b>Recommendation: as this is an outstanding audit point from last year, the RFO will be taking steps to address the issues raised and ensure compliance for the current year (year ending 31<sup>st</sup> March 2022) and publish the full range of required information by 1<sup>st</sup> July 2022.</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 meeting of 21 <sup>st</sup> July 2021 made reference to the internal audit report for the year ending 31 <sup>st</sup> March 2021 with the minutes recording that a further review of the issues raised would be considered at later meetings. An audit plan of the issues arising from the Internal Audit was produced with action

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

		points agreed along with the action of the relevant Officer/Council. An update was provided to full Council on 9 <sup>th</sup> September and 11 <sup>th</sup> November 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Partly met</i>	The following recommendations were contained within the audit ending 31 <sup>st</sup> March 2021: <b>those marked in bold are still outstanding but are to be addressed in the year 2020-23 by the RFO and/or Clerk (when appointed):</b> <ol style="list-style-type: none"> <li><b>1. Annual review of the Council’s Risk Assessment documentation</b></li> <li><b>2. Annually review the effectiveness of Council’s internal controls</b></li> <li><b>3. Annual review of the effectiveness of internal audit</b></li> <li><b>4. Publication of documentation in accordance with the Regulations for smaller authorities</b></li> <li><b>5. Compliance with the GDPR</b></li> <li><b>6. Publication of a Website Accessibility Statement</b></li> </ol>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	SALC were appointed as the Council’s internal auditors for the year ending 31 <sup>st</sup> March 2022 at the meeting of 24 <sup>th</sup> March 2022.
<b>Additional comments:</b>		

<b>Section 13 – external audit for the period under review</b>		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?<sup>12</sup></i>	<i>Not applicable</i>	As Council was able to exempt itself from a limited assurance review, no such report was received.
<i>Additional comment:</i>		

**Section 14 – additional information**

<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.*

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>
<p><i>Was the annual meeting held in accordance with legislation?</i><sup>13</sup>                      (Note to auditor- emergency Regulations because of the COVID-19 pandemic)<sup>14</sup></p>	<p>Yes</p> <p>Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 20<sup>th</sup> April 2021.  <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 the requirement to hold an Annual Council Meeting before the 7<sup>th</sup> May 2021 during the month of May. Council has followed these regulations and held its meetings via the Zoom Videoconferencing platform. In accordance with the repeal of the Coronavirus Act 2020 legislation all meetings held after 7<sup>th</sup> May 2021 were held in person.</i></p> <p>It is unclear from the minutes of November 2021 and February 2022 as to whether Council approves apologies for absence as submitted by Councillors.  <i>Comment: 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. NALC LTN 5 provides further</i></p>

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

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



		<p>clarity on this matter including the good practice of seeking approval for an apology in writing.</p> <p>It is also noted that the Council's website, in regard to the Annual Parish Meeting states "At the Annual Parish Meeting, which is held in April or early June, local electors can discuss any issues that they may wish the Parish Council to focus upon in the forthcoming year".</p> <p><i>Comment: Council should note that legislation states that this meeting must take place between 1<sup>st</sup> April and 1<sup>st</sup> June (both inclusive) LGA 1972, Sch. 12 para 14(1) and (3).</i></p>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>	<i>Partly met</i>	<p>Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.</p> <p><i>Comment: the minutes of the Annual Council Meeting of 19<sup>th</sup> May 2021 as seen on the website are headed up "DRAFT". Council is recommended to review its own Standing Order on the treatment of draft minutes.</i></p>
<i>Is there a list of members' interests held?</i>	Yes	<p>Evidence was seen on the District Authority's website of the Register of Interests for Parish Councillors for Pettistree.</p> <p><i>Comment: Council has ensured that, in accordance with guidance, there is a direct link from the Parish Council's website to the District Authority's website for the Register of Interests for all current Parish Councillors</i></p>
<i>Does the Council have any Trustee responsibilities?</i>	<i>Not applicable</i>	
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	<b>To be applied</b>	<p>Council is 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 has acknowledged that this matter is outstanding and will be taking steps to 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):</p> <ul style="list-style-type: none"> <li>Internal Audit Report</li> <li>List of Councillors and Responsibilities</li> </ul>

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

		<p>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.  <b>As this is an outstanding audit point from 2020-2021, Council will be taking steps to address the issue raised.</b></p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i></p>	<p>Yes</p>	<p>The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: ZA453589 Expiry 16 September 2022. However, Council does not appear to have a Model Publication Scheme detailing the type of information the Council holds and how it will make it available to the public.  <b>Recommendation: see below.</b></p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	<p>No</p>	<p>As identified in the previous year's audit, Council has taken limited steps to ensure compliancy.  <b>As this is an outstanding audit point from 2020-2021, Council will be taking steps to address the issue raised.</b></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 are no accessibility tools on the Council pages on the website allowing for the increased functionality of the council's website nor is there a 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.  <i>Comment: guidance can be found on the SALC website or direct from the host of the council's website.</i>  <b>As this is an outstanding audit point from 2020-2021, Council will be taking steps to address the issue raised.</b></p>

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

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

<i>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Yes	The 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>	No	The RFO has stated that there is currently no adequate data backup regime. This is to be properly introduced once a successor has been appointed.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	None held	Council does not operate a committee system.
<p><b>Recommendation: Model Publication Scheme: 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 review the information it holds and collate it into a publication scheme that is available on its website. Templates are available from the SALC website.</b></p>		

Signed: Victoria S Waples

Date of Internal Audit Visit: 27.05.22 & 01.06.22

Date of Internal Audit Report: 02.06.22

On behalf of Suffolk Association of Local Councils

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<sup>18</sup> Practitioners Guide