

## Internal Audit Report for Pettistree Parish Council for the period ending 31 March 2024

Clerk	Andrew Staples
RFO (if different)	Simon Ashton
Chairperson	Councillor Susan Jones
Precept	£ 3,812.00
Income	£ 5,839.55
Expenditure	£ 8,362.58
General reserves	£ 363.06
Earmarked reserves	£13,610.48
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 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

<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 a spreadsheet to produce reports on a Receipts and Payments basis. 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>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>  (under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)	Yes	Council’s gross income and expenditure level is below the threshold of £200,000 and has been for three (3) continuous years. Council’s operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis. Council follows Proper Practices in ensuring that its accounting procedure gives an accurate presentation of an authority’s true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance and the Responsible Financial Officer (RFO) has ensured that there are clear financial management reports submitted to the council on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order.  <i>Comment: The RFO has shown best practise by ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>
<b>Additional comments:</b> <i>the cashbook and minutes make reference to the powers used to incur expenditure; however some expenditure has been limited to the use of LGA 1972 s111. Council should note that statutory powers, are granted by Parliament give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail</i>		

*in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law. The use of s111 is an ancillary power only and council should note that the powers of an existing statute must be used if there are any.*

*By way of an example: expenditure incurred for payments for the newsletter should be LGA 1972 s142; for websites it should be LGA 1972 s142; for grounds maintenance it should be either Public Health Act 1875 s164 or Opens Spaces Act 1906,ss 9&10 and the fee for ICO it should be Freedom of Information Act 2000.*

<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 Standing Orders, as seen on the Parish Council's website, were reviewed at the meeting of 21 <sup>st</sup> March 2024. Council's Orders, are based on the latest model published by the National Association of Local Councils (2018) and contain the provisions of the Model Councillor Code of Conduct as adopted by the Council. The Standing Orders are compliant with legislation and have 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), as seen on the Council's website were reviewed at the meeting of 21 <sup>st</sup> March 2024 and are based on the NALC Model Financial Regulations 2019 with provisions included as outlined under LTN 87 - Procurement – March 2022 and the amendments to the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21 <sup>st</sup> December 2022.
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person to be

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

		responsible for the administration of the financial affairs of the relevant authority.
<b>Additional comments:</b>		

<p><b>Section 3 – Payment controls</b>                  The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. A further spot check of items paid via the system from the Council's Accounts was also cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.
Where applicable, are internet banking transactions properly recorded and approved?	N/A	Council does not operate with internet banking.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book with the year-end balance standing at £442.79, which was submitted after the year-end. The VAT claim for the year ending 31 <sup>st</sup> March 2023 in the sum of £224.42 was settled on 14 <sup>th</sup> April 2024.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	N/A	The council has not confirmed eligibility criteria to enable it to exercise the GPOC.

<sup>2</sup> Localism Act

Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	Payments identified as being made under this power for the year under review totalled £73.61 but it is queried as to whether the following power might be better suited to incur such expenditure: Highways Act 1980 s274A.
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.
<b>Additional comments:</b>		

<b>Section 4 – Risk management</b>		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<b>Evidence</b>	<b>Internal auditor commentary</b>	
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Register for the year under review was considered and adopted by the council at its meeting of 21 <sup>st</sup> March 2024.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Yes	Council has insurance in place under a Charity and Community Essentials policy with Ansvar (through Community Action Suffolk) which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million and Fidelity Guarantee of £25thousand.

<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 £9.93 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		<p><i>Comment: Council has followed recommended guidance by ensuring that its Fidelity Cover is 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>Council has actively demonstrated that it is 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 and that annual reviews of the Council's insurance were undertaken prior to renewal. The minutes of meetings from 11<sup>th</sup> May and 14<sup>th</sup> September 2023 provide evidence that council reviewed the levels of insurance for land, public and employees liability and agreed appropriate adjustments to the cover being proposed.</p> <p><i>Comment: Council has ensured 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>
<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p>Yes</p>	<p>At the meeting of 11<sup>th</sup> January 2024, Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances.</p> <p><i>Comment: Council continues with the good practice of appointing a councillor(s) to review the system of internal control via specific tests and as such has demonstrated that it has understood the requirements to have in place safe and efficient arrangements to safeguard public money.</i></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>Yes</p>	<p>At the meeting of 15<sup>th</sup> June 2023, the council formally reviewed the scope and effectiveness of its internal audit arrangements and concluded that the standards were being met and that the work of internal audit was effective.</p> <p><i>Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, it must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal</i></p>

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

<sup>5</sup> Practitioners Guide

		<i>audit is to evaluate and report on the adequacy of the system of internal control.</i>
<b>Additional comments:</b>		

<b>Section 5 – Budgetary controls</b>		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Verify that budget has been properly prepared and agreed</i>	Yes	<p>The budget for the year 2023-2024 was approved at the Council meeting of 22<sup>nd</sup> November 2022 with the revenue income budget being set at £4,048 and the revenue expenditure budget being £6,627.</p> <p>The budget for the year 2024-2025 was approved at the council meeting of 11<sup>th</sup> January 2024 with expenditure being set at £6,352.  <i>Comment: council has ensured transparency in the budgetary process followed by the Council by recording within the minutes, the actual budget being set alongside the reasoning for such a budget.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept for the year 2023 – 2024 was set at £3,812 at the meeting of 22<sup>nd</sup> November 2023 with the minutes showing that council agreed to a small increase over that set for the previous year.</p> <p>The precept for the year 2024 – 2025 was discussed and approved at the meeting of 11<sup>th</sup> January 2024 and set at £4,740. The minutes show that this would represent an overall increase of 26.9% on a Band D dwelling over that set for the previous year.</p>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	<p>The minutes evidence that council conducted reviews covering the budget for the current year with a review of income and expenditure against budget at each meeting.  <i>Comment: Council in accordance with its own standing order 17c produces regular statements showing evidence of comparisons between budgeted and</i></p>



		<i>actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i>
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	<p>The Council, as at year-end, had Earmarked Reserves totalling £13,610.48, and General Reserves of £363.06.</p> <p><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></p> <p><b>Recommendation: Council is advised to consider reviewing the level of general reserves held as the current level of £363.06 is 5% of net revenue expenditure. Whilst the council may be able to draw on its CIL Reserves to fund some unforeseen event, they are restricted reserves and may not be able to be used for general expenditure. Council is advised to work towards setting an appropriate level of general reserves as a budgeted percentage of the precept and/or average annual expenditure.</b></p>
<b><i>Additional comments:</i></b>		

<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 sample of receipts was checked against cash book and bank statement and

<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

		found to be in order and recorded in accordance with Proper Practices. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the financial reports submitted to full Council.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £3,812 from East Suffolk District Council for the period under review as reported to full Council within its Financial Reports at its meetings in May 2023. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the council's bank account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Yes	During the year under review, council received CIL receipts totalling £1,509.45. The RFO has created an Earmarked Reserve for retained CIL balances.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported to council within the financial reports submitted.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL workings for 2023/2024 shows that there is a retained balance of £13,231.09 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement has been produced and signed by the Clerk and Chair.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year has been uploaded onto the council's website. <i>Comment: council is aware that the Regulations provided clarity on the timing of the reports, and by which date they should be brought into the public domain.</i>
<b>Additional comments:</b>		

**Section 7 – petty cash**

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

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.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	Council does not operate a petty cash system but there is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place.
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. 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 <sup>st</sup> March 2024. Employment contracts were not reviewed during the internal audit, but the RFO has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made via internet banking in accordance with council’s own Financial Regulations. Amendments to salary points, working hours, budgets and support for training are all approved by full council. <i>Comment: Council ensures that 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>
<i>Minimum wage paid?</i>	No	No employee is paid the national minimum wage.

<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines and outsourced to Suffolk Association of Local Councils. Cross-checks were completed on a sample of payments covering salary and all were found to be in order. There were no deductions paid to HM Revenue and Customs during the year under review.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	Council is aware of its pension responsibilities although council's members of staff are not enrolled with a pension provider.
<i>Have pension re-declaration duties been carried out</i>	Yes	From paperwork seen, the council completed its re-declaration of compliance with The Pensions Regulator on 29 <sup>th</sup> February 2024.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.
<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>		<b>Internal auditor commentary</b>
<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, as viewed on the Council's website, and as approved at the meeting of 21 <sup>st</sup> March 2024, was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the

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

<sup>9</sup> Practitioners Guide

		Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end (31.03.2024) is £20,488 which reflects movement in the asset register covering acquisitions and disposals.
<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 2023 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.
<i>Are records of deeds, articles, land registry title number available?</i>	Yes	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council does not have any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The values submitted on the Draft Annual Governance and Accountability Return for Internal Audit show an asset value of £20,488 which matches that approved by the council at its meeting in March 2024. <i>Comment: Council has ensured that the values stated above mirrors the declared value on the unaudited accounts for the year ending 31<sup>st</sup> March 2024.</i>
<i>Cross checking of insurance cover</i>		Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
<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 and reconcile with the cash sheets. Evidence was seen of the year end account balance which reconciled to the year-end accounts.

		<i>Comment: movement through the account is summarised as follows:                  Opening balance at 01.04.23: £16,496.77                  Income to 31.03.24: £5,839.35                  Expenditure to 31.03.24: £8,362.58                  Closing balance: £13,973.54</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 <sup>st</sup> March 2024) the balance across the councils accounts stood at £13,973.54 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation.
<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 minutes of council meetings, demonstrate that a review of the bank reconciliation versus the bank statements has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.
<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 were presented for the internal auditor review and there is a clear financial trail from records to presented accounts. Year-end balances agree with cash book and bank reconciliations.
<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 the Annual Governance and Accountability Return (AGAR) Form 2. The Accounting Statements were completed but unsigned at the time of internal audit review. At the meeting

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

		of 21 <sup>st</sup> March 2024, council agreed to claim exemption from a limited assurance review.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Yes	The Parish Council did not have gross income and expenditure exceeding £25,000 during 2022-2023 and was able to declare itself exempt from a limited assurance review for the year ending 31 <sup>st</sup> March 2023. The minutes of 15 <sup>th</sup> June 2023 demonstrate that Sections 1 and 2 and the Certificate of Exemption were reviewed, and permission was given for the Chair and Clerk to sign the documents . <i>Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.</i>
<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	Council has demonstrated that during the year under review, it ensured that the period for the exercise of elector’s rights during Summer 2023 was in accordance with the period specified within the Accounts and Audit Regulations 2015. The dates set were 19 <sup>th</sup> June to 28 <sup>th</sup> July 2023 with the Notice being dated 15 <sup>th</sup> June 2023 as seen on the council’s website. <i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required “Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i>
<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	Yes	The Council has 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 <sup>st</sup> March 2023 and published the following on a public website: Certificate of Exemption Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR

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

		Notice of the period for the exercise of public rights Analysis of variances Bank reconciliation – year-end
<b>Additional comments:</b>		

<b>Section 12 – internal audit</b> The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Internal Audit Report for the period ending 31 <sup>st</sup> March 2023 was formally considered by and approved for adoption at the meeting of 15 <sup>th</sup> June 2023 with the minutes approving an action plan to address the comments and recommendations contained within the report.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	Council has taken action to address further the matters that were raised within the internal audit report for the year ending 31 <sup>st</sup> March 2023, none of which had a significant impact on the financial management of the council. <i>Comment: in accordance with guidance, an action plan should be produced setting out the areas of improvement or development as identified within the narrative internal audit report. Any proposed remedial actions should be identified within the plan along with the members or officers responsible for delivering improvement and the deadlines for the completion of the action. Council has understood the requirement to ensure that, having received a narrative internal audit report, it should minute its review of the work conducted and agree actions planned from the outcomes identified.</i>  The following recommendations have been actioned by the Council: <ul style="list-style-type: none"> <li>• Treatment of apologies and approval for absence</li> <li>• Publish information in accordance with the Transparency Code for Smaller Authorities 2014</li> </ul>



<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2023-2024 was approved at the council meeting of 15 <sup>th</sup> June 2023. <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i>
<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>	N/A	The Parish Council did not have gross income and expenditure exceeding £25,000 and was able to declare itself exempt from a limited assurance review for the year 2022-2023.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	
<b>Additional comments:</b>		

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

<sup>12</sup> Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*

<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 11 <sup>th</sup> May 2023 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>	Yes	<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>Whilst Council has ensured that, in accordance with legislation, loose leaf minutes are signed by the Chair of the meeting on each page, it should be noted that they are still not numbered consecutively. It is noted that this was one of the points to be addressed within the action plan approved at the meeting of 15<sup>th</sup> June 2023.</p> <p><b>Recommendation: council should ensure that the minutes are consecutively numbered month on month, year on year and not just for the meeting.</b></p>
<i>Is there a list of members' interests held?</i>	Yes	A link was provided from the council's website to that of East Suffolk District Council's for access to the Register of Interests for all current Parish Councillors.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council does not have any Trustee Responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	<p>Council is aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities. For those authorities that fall between the Transparency Code 2014 and the Transparency Code 2015 (gross income and expenditure exceeding £200,000), as a barest minimum the provisions for publication under the 2014 Act should be followed.</p> <p>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):</p> <p>Internal Audit Report</p>

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

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

		<p>List of Councillors and Responsibilities                  Items of Expenditure Above £100 including recoverable and non-recoverable VAT                  End of Year Accounts                  Annual Governance Statement                  Asset Register                  and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014</p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>15</sup></i></p>	<p>Yes</p>	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.</p> <p>The adopted Model Publication Scheme as defined under the Freedom of Information 2000 has been uploaded onto the website.</p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	<p>Yes</p>	<p>Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a number of GDPR Policies during the year that provides clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR.</p> <p><i>Comment: The Privacy Policy on the Parish Council's website covers the framework that the public can expect for dealing with 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.</i></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i></p>	<p>Yes</p>	<p>Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, and has published 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.</p>

<sup>15</sup> Data Protection Act 2018

<sup>16</sup> Website Accessibility Regulations 2018

<i>Does the council have official email addresses for correspondence?<sup>17</sup></i>	Yes	Council operates with a .gov.uk domain name and email addresses for the council's officers and councillors thereby complying with GDPR and ensuring that there is a separation of private and official business. <i>Comment: Council has considered the comments raised in the Practitioners Guide to Proper Practices (effective March 2024) sections 5.210 to 5.219 on the importance of using .gov.uk domains for websites and emails.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council uses a system whereby a back-up of the council's data is taken and stored appropriately.
<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.
<b>Additional comments:</b>		

Signed: *Victoria S Waples*

Date of Internal Audit Review: 28.04.24 & 04.05.24

Date of Internal Audit Report: 04.05.2024

On behalf of Suffolk Association of Local Councils

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<sup>17</sup> Practitioners Guide