

Internal Audit Report
Year ending: 31st March 2020

Name of Council:	Shotley Parish Council
Income:	£82,134.73
Expenditure:	£54,407.73
Precept Figure:	£60,300.00
General Reserve:	£81,073.67
Earmarked Reserves:	£35,500.00

Internal Audit Objectives and Responsibilities

The primary objective of Internal Audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council, and to achieve this will 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

Accordingly, in the conduct of planned audits Internal Audit may:

- Carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2019/20 of the Annual Governance and Accountability Return (AGAR)
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- Review the established systems to ensure compliance with those policies, procedures, laws and regulations which could have a significant impact on operations, and determine whether the council complies
- Review the operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out as planned

Subject	Requirements	Comments/Recommendations
1. Proper Book-keeping	Type of cash book or ledger used	The council uses the RBS Alpha accounting package which produces reports on an Receipts and Payments basis.
	Cash book kept up to date and regularly verified against bank statement	Cash books are reconciled on a monthly basis. Spot checks were made and found to be correct. <i>Comment: The RFO ensures that the cash book 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>
	Correct arithmetic and balancing	The cash books contain entries from day to day of all sums of money received and expended by the council and overall the integrity of the data input and information reported by the system provides the basis for the accounting statements. The integrity of data input and processing is undertaken by the RFO. <i>Comment: the smaller authority follows Proper Practices in ensuring that its accounting procedure gives a more 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.</i>
2. Financial Regulations & Standing Orders	Evidence that standing orders have been adopted and reviewed regularly	Historically, the Council reviews and approves its Standing Orders at its March meeting. Although the Finance Working Group reviewed Council's Standing Orders at their March 2020 meeting with recommendations for their approval by full Council, they were not approved at the March full Parish Council Meeting as it was cut short due to covid-19 lockdown restrictions (it is noted that there was only a minimum quorum in attendance to approve scheme of delegation to the clerk). These were all due to be approved later on in the year once virtual meetings were resumed. At the meeting of 14 th May 2020, it was approved and agreed that all statutory documents, such as Standing Orders, Financial Regulations, etc. reviewed by the Council's Finance Working Group in March, would be formally approved by full council once normal meeting arrangements are resumed and that documents approved in 2019 would remain in place for the time being. As such it is noted that Council at its meeting of 28 th February 2019 carried out an annual review of its own Standing Orders and adopted the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.

	Evidence that Financial Regulations (FR) have been adopted and reviewed regularly	<p>Historically, the Council reviews and approves its Financial Regulations (FRs) at its March meeting. Although the Finance Working Group reviewed Council's FRs at its March 2020 meeting with recommendations for their approval by full Council, they were not approved at the March Parish Council Meeting as it was cut short due to covid-19 lockdown restrictions (it is noted that there was only a minimum quorum in attendance to approve scheme of delegation to the clerk). These were all due to be approved later on in the year once virtual meetings were resumed. At the meeting of 14th May 2020, it was approved and agreed that all statutory documents, such as Standing Orders, Financial Regulations, etc. reviewed by the Council's Finance Working Group in March, would be formally approved by full council once normal meeting arrangements are resumed and that documents approved in 2019 would remain in place for the time being.</p> <p>It is noted that the Financial regulations uploaded onto the parish council's website are dated 2020 and reference the Model Financial Regulations produced by NALC in 2019.</p>
	Evidence that a Responsible Financial Officer has been appointed with specific duties	The Parish Council, at its meeting of 21 st March 2019, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, confirmed that the Clerk is the Responsible Financial Officer (RFO) responsible for the financial administration of the authority. This was further confirmed at a meeting of 25 th June 2020.
	Evidence that Financial Regulations have been tailored to the Council	Council is aware of the requirement to ensure that the SO and FR are fully tailored to the smaller authority by removing the alternative options for a council and in particular removing the square brackets [] as this creates ambiguity.
3. Payment controls	Supporting paperwork for payments, and appropriate authorisation	<p>At each full Council Meeting, a list of all payments – retrospective and future - is presented to the meeting with formal approval of such expenditure being minuted and copies attached to the minutes as a formal record. The receipts and payments summary is approved by the meeting but does not form part of the formal minutes.</p> <p>Recommendation: that the listings as mentioned in the minutes are attached to the minutes thereby allowing all who review the financial records of the parish council the opportunity to scrutinise the decisions made and ensure that the Council follows its own FRs in accounting for public finances.</p>
	Internet Banking transactions properly recorded/approved	Internet banking is not operated by the parish council. At its meeting of 16 th May 2019, Council approved a number of annual Standing Orders/Direct debits for annual contracts and salaries as per the listed circulated.
	VAT correctly identified and reclaimed within time limits	VAT is identified in the purchase ledger cash book and is reclaimed on an annual basis. Final claim for the year under review for the period 1 st April 2019 to 31 st March 2020 in the net sum of £1,199.07 was submitted on 5 th May 2020.

	Has Council adopted the General Power of Competence?	The Council has not adopted the General Power of Competence.
	S137 separately recorded, minuted and within statutory limits	<p>The Schedule of Grants made during the year under review was reviewed and verified. Payments made under LGA 1972 s137 for the year under review totalled £100 and under Other Grants totalled £3664.00. Upon analysis it is suggested that the payments made under "Other Grants" could also be allocated to the cost centre set up for s137 as they fulfil the criteria associated with payments made under s13 as the power of last resort.</p> <p><i>Comment: Council is aware that the use of S137 of the LGA 1972 (as amended by the Local Government and Housing Act 1989 s36) is a capped expenditure which gives the Council the power to incur expenditure which in their opinion is in the interests of and will bring direct benefit to their area or any part of it or all or some of its inhabitants. The benefit obtained must be commensurate with the expenditure incurred and the annual expenditure must not exceed the total electorate multiplied by the annual statutory limit per elector.</i></p>
	Payments of interest and principal sums in respect of loans.	There is no public works loan in place.
4. Risk Management	Is there evidence of risk assessment documentation?	<p>Historically, the Council reviews and approves its Risk Assessment Documentation at its March meeting. Although the Finance Working Group reviewed such papers at its March 2020 meeting with recommendations for their approval by full Council, they were not approved at the March full Parish Council Meeting as it was cut short due to covid-19 lockdown restrictions (it is noted that there was only a minimum quorum in attendance to approve scheme of delegation to the clerk). These were all due to be approved later on in the year once virtual meetings were resumed. At the meeting of 14th May 2020, it was approved and agreed that all statutory documents, such as Standing Orders, Financial Regulations, etc. reviewed by the Council's Finance Working Group in March, would be formally approved by full council once normal meeting arrangements are resumed and that documents approved in 2019 would remain in place for the time being.</p> <p><i>Comment: Overall within its Risk Assessment Register, Council has identified a number of risks to property; finances and personnel and has taken steps to control the risk - all of which are clearly identified within the document as approved by Full Council.</i></p> <p>Recommendation: in accordance with best practice, the parish council might wish to ensure that each policy adopted (including SOs, FRs and Risk Assessments) contains the date of the latest review along with the next review date/period thereby ensuring that each policy is regularly reviewed and fit for purpose.</p>

	Evidence that risks are being identified and managed.	<p>Council has carried out a comprehensive financial risk assessment with its documents showing that it has identified the risks associated with ensuring that public finances are adequately protected and managed and has taken steps to mitigate such risks. The documentation of the specific control procedures that have been adopted by the council for payments not only protects the RFO but also fulfils an internal control objective.</p> <p><i>Comment: With reference to the Accounts and Audit Regulations 2015, Council has understood the requirement to have in place safe and efficient arrangements to safeguard public money. Within the Internal Controls of the Finance and Governance Risk Assessment Documentation Council has reviewed its arrangements to protect public money.</i></p> <p>Recommendation: see above with regards to review dates.</p>
	Contingency Plan to deal with the impact of the Coronavirus on the Parish Council	<p>In light of the current coronavirus situation, at the meeting on 19th March 2020 the Council considered COVID-19 preparedness measures, including delegation of responsibilities in order to ensure continuity of service (High Consequence Infectious Disease Policy) and support of a Community Action Group or alternative community support measure. At this meeting it was resolved to approve a scheme of delegation of Council management responsibilities to the Clerk, as well as the High Consequence Infectious Disease Policy. It was confirmed that decisions made by the Clerk under the policy and the scheme would continue to be in line with Council approved policies and current legislation. At the same meeting, support was given to the establishment of a Community Support Group, which would work alongside the existing local Good Neighbours Scheme, and that financial support would be made available should it become necessary. This funding would be subject to amounts agreed by members and would follow a system of electronic consultation, in the absence of meetings for the duration of the lockdown.</p> <p><i>Comment: To allow proper scrutiny of records of payments and the accounts, in accordance with section 5 of the Financial Regulations, any payments made away from such meetings should be reported to the Council at the next convenient meeting.</i></p>
	Working Groups / Standing Committees	<p>Council should be aware that a Standing Committee is a Committee with ongoing responsibilities concerning the performance of the statutory powers and functions of the council. A Finance Working Group is an example of a standing committee.</p> <p><i>Comment: Council is advised to review the Terms of Reference for the Finance Working Group and consider whether it is appropriate to consider the status of this working group as a Standing Committee and allocate it clear terms of reference and responsibilities given the pivotal role it plays in the administrative and financial matters of the Council's functions.</i></p>

	<p>Appropriate Insurance cover in place for employment, public liability and fidelity guarantee.</p>	<p>General Insurance from Zurich for the period from 18th February 2020 to 17th February 2021 was reviewed during the Internal Audit Review.</p> <p>Core cover shows the following: Employers Liability £10,000,000. Public Liability £10,000,000; Products Liability £10,000,000; Hirers Liability £2,000,000 & Fidelity Guarantee Cover is £500,000. Material Damage cover is shown for 1 building (Toilet Block, Bristol Hill) with cover non-location specific on further assets. Fidelity Guarantee Insurance stands at £100,000.</p> <p>Recommendation: in accordance with current recommended guidelines, which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants, Council should consider increasing the current level of cover given year-end bank balances and the precept due in April 2020.</p>
	<p>Evidence that insurance is adequate and has been reviewed on an annual basis</p>	<p>In accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance.</p>
	<p>Evidence that internal controls are documented and regularly reviewed</p>	<p>Historically, the Council reviews and approves its Internal Control Documentation at its March meeting. Although the Finance and Administration Working Group reviewed such papers at its March 2020 meeting with recommendations for their approval by full Council, they were not approved at the March Parish Council Meeting as it was cut short due to covid-19 lockdown restrictions (it is noted that there was only a minimum quorum in attendance to approve scheme of delegation to the clerk). These were all due to be approved later on in the year once virtual meetings were resumed. At the meeting of 14th May 2020, it was approved and agreed that all statutory documents, such as Standing Orders, Financial Regulations, etc. reviewed by the Council's Finance and Administrative Working Group in March, would be formally approved by full council once normal meeting arrangements are resumed and that documents approved in 2019 would remain in place for the time being.</p> <p><i>Comment: within the internal controls of the Internal Control Statement measures have been identified that will provide assurance to members that there is a robust system in place which is effective and adequate for preventing members from approving or authorising fund transfers that are not supported by appropriate documentation.</i></p>
	<p>Evidence that a review of the effectiveness of internal audit has been carried out during the year</p>	<p>Historically, the Council reviews and approves its Internal Control Documentation at its March meeting. Although the Finance and Administration Working Group reviewed such papers at its March 2020 meeting with recommendations for their approval by full Council, they were not approved at the March Parish Council Meeting as it was cut short due to</p>

		<p>covid-19 lockdown restrictions (it is noted that there was only a minimum quorum in attendance to approve scheme of delegation to the clerk). These were all due to be approved later on in the year once virtual meetings were resumed. At the meeting of 14th May 2020, it was approved and agreed that all statutory documents, such as Standing Orders, Financial Regulations, etc. reviewed by the Council's Finance and Administrative Working Group in March, would be formally approved by full council once normal meeting arrangements are resumed and that documents approved in 2019 would remain in place for the time being.</p> <p>Full council formally reviewed the scope and effectiveness of its internal audit arrangements and agreed that the internal audit plan as proposed by Suffolk Association of Local Councils was efficient and effective and appropriate for the council at its meeting of 28th February 2019.</p> <p><i>Comment: by reviewing internal audit, Council has followed guidance with the Governance and Accountability Guide and has recognised that the internal audit's function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily which in turn will support and inform the members considering the authority's approval of the annual governance statement.</i></p>
5. Budgetary controls	Verifying that the budget has been properly prepared, and agreed	<p>Full Council, at a meeting of 17th January 2020, approved the budget to be set for the year 2019-20. Documents uploaded to the parish council's website show a budget in the sum of £80,985 was set.</p> <p><i>Comment: Council shows good practice by following the recommended key stages as to the budgetary process and ensures that it regularly monitors actual performance against its budget during the year and that a financial appraisal is undertaken before any significant project is undertaken.</i></p>
	Verifying that the Precept amount has been agreed in full Council and clearly minuted	<p>At the same meeting it was agreed to set a precept of £60,300 for the financial year 2019-2020, noting that this represented an increase of 2.5% (year on year) which was an additional £4.07 per year for a Band D Property.</p>
	Regular reporting of expenditure and variances from budget	<p>In accordance with Council's own Standing Orders, a quarterly statement summarising the Council's receipts and payments for the quarter, the Council's aggregate receipts and payment for the year to date and balances held is submitted to full Council and resolved for adoption. This includes a comparison with the budget for the financial year. All relevant documents were uploaded and verified from the parish council's website.</p>

		<p>Virements between budgets are approved in accordance with Council's own Financial Regulations and Council is aware that a virement from reserves into the revenue budget may only be made following a resolution of the Council, or duly delegated committee.</p> <p><i>Comment: in accordance with guidance stated within section 5 of the Governance and Accountability Guide for Smaller Authorities In England, Council has understood that by reviewing the budget against actual expenditure regularly, members are given early warning about the likelihood of a shortfall (or surplus) which will them to decide what responsive action to take. Council has followed guidance by ensuring that its members understand how the budget is put together and how it should be used in the running of the authority.</i></p>
	<p>Reserves held</p> <p>General and Earmarked.</p>	<p>For the year ending 31st March 2020 Council had General Reserves of £53,346.67; Current Year Fund of £27,727.00 and Earmarked Reserves of £35,500.00.</p> <p><i>Comment: Council is mindful of the guidance submitted within Proper Practices which states that whilst it is essential that authorities have sufficient Reserves (General and Earmarked (EMR)) to finance both its day to day operations and future plans, it is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive. The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure. Paragraphs 5.32 and 5.33 of the 2019 Practitioner's Guide provides further guidance in respect of reserves.</i></p>
6. Income controls	Is income properly recorded and promptly banked?	<p>A number of items of income were cross checked against cash book and bank statement and found to be in order. In accordance with Proper Practices, the Responsible Financial Officer ensures that the accounting records contain entries from day to day of all sums of money received.</p> <p>All income received by the parish council is reported as part of the Financial Reports submitted by the Clerk who also ensures that monies received are promptly banked.</p> <p>See recommendation under payment controls.</p>
	Is income reported to full Council?	<p>A number of items of income were cross checked against cash book and bank statement and found to be in order. In accordance with Proper Practices, the Responsible Financial Officer ensures that the accounting records contain entries from day to day of all sums of money received. All income received by the parish council is reported as part of the Financial Reports submitted by the Clerk who also ensures that monies received are promptly banked.</p>

	Does the Precept recorded agree to the Council Tax Authority's notification?	The Council received precept of £60,300 as per the remittance advices received from and precept demand served on Babergh District Council. Payments of the precept was made in two equal instalments in April and September 2019 and both were reported within the financial management reports submitted to full Council.
	If appropriate, are CIL Reporting Schedules in accordance with the Community Infrastructure Levy Regulations 2010?	<p>CIL Funds received for the year under review show receipts of £4,061.00 as reported within the financial reports submitted at the meetings of full Council.</p> <p>Council has understood the requirement to comply with its duty to produce an annual report that details the amount of CIL funds received and spent. The annual report for the year ending 31st March 2020 showing income received and retained balances was verified by the Internal Auditor during the internal audit visit. Council has understood that it should comply with its duty to upload the annual report onto its website by 31st December 2020. The Internal Auditor can verify that the report was seen on the council's website at the time of the internal audit review.</p> <p><i>Comment: the Parish Council having received a proportion of CIL funds, should be mindful that, in accordance with the 2010 Regulations, retained balances are transferred into an Earmarked Reserve specifically allocated.</i></p>
7. Petty Cash	Is a petty cash in operation?	Council does not operate a petty cash system.
8. Payroll controls	Do all employees have contracts of employment?	Employment contracts were not reviewed during the internal audit carried out.
	Are arrangements in place for authorising of the payroll and payments by the Council?	The payroll system is carried out inhouse in accordance with the RTI system. Salaries are paid in accordance with contracted hours worked with agreement for variations by relevant committee and/or full council.
	Verifying the process for agreeing rates of pay to be applied.	<i>Comment: in accordance with Proper Practices, Council has ensured that the remuneration payable to all employees has been approved in advance by the Council.</i>
	<p>Do salary payments include deductions for PAYE/NIC?</p> <p>Is PAYE/NIC paid promptly to HMRC?</p>	<p>Evidence was seen that PAYE is paid to HM Revenue and Customs in accordance with the agreed timescales. Cross-checks were completed on a number of items each of salary, PAYE and pension contributions and these were all found to be in order. In accordance with Proper Practices, PAYE taxes and employee and employer National Insurance contributions (NIC) are calculated and recorded for every employee. Deductions are paid to HM Revenue and Customs on or before the dates prescribed.</p> <p><i>Comment: in accordance with Proper Practices, Council has ensured that the remuneration payable to all employees has been approved in advance by the Council. There are robust</i></p>

		<i>payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities.</i>
	Is there evidence that the Council is aware of its pension responsibilities?	Council had one employee on its payroll at the period end of 31 st March 2020, who is a member of the NEST Pension Scheme.
	Are other payments to employees reasonable and approved by the Council?	There is a satisfactory expense system in place.
9. Asset control	Verifying the Council maintains an Asset Register in accordance with proper practises	<p>It is noted that the declared value for all assets at year-end (31.03.2020) was £120,059 as verified from Council's records and accurately includes all capital acquisitions and disposal transactions as recorded in the council's cashbook for the year under review.</p> <p>All assets have been stated as at cost value (fixed as at 2010 in accordance with the basis as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA)) and where assets have been gifted or where there is no known value have been given the proxy value of £1. It is noted that a number of items were revalued in 2019 for insurance purposes only.</p> <p><i>Comment: Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2019 (2020 for accounts produced after 1 April 2020) on the valuation of its assets and has ensured that where the insurance value of the asset at the time of first recording is used, that method of valuation has been consistently applied and if/where amended, it will need to publish and provide explanations in changes in value to any previously recorded assets.</i></p>
	Verifying that the Asset Register is reviewed annually	The Asset Register value was approved by full Council at a meeting of 25 th June 2020 and shows movement during the year of £416.60.
	Cross checking of Insurance cover	Insurance cover is specific for items as per the values detailed in the schedule of the insurance document and is provided anywhere within the territorial limits of the policy.
10. Bank reconciliation	Regularly completed and reconciled with cash book	<p>Bank reconciliations are completed on a monthly basis and reconcile with the cash sheets.</p> <p><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></p>
	Confirm bank balances agree with bank statements	Bank balances at 31 st March 2020 agree with the year-end bank statements: £116,573.67 across the council's accounts.
	Regular reporting of bank balances	Whilst the minutes show that bank balances, including receipts, were noted by members

	at council meetings	<p>there is no minute to show that the bank reconciliation have been indepently verified. It is noted that the minutes merely state that receipts and bank balances were noted.</p> <p>Recommendation: in accordance with Proper Practices, the Council should consider implementing a system whereby the Chair of the Council formally signs off the bank reconciliation and reports back to the Council that such an action has taken place. This is not only good practice but is also a safeguard for the RFO and may fulfil one of the authority's internal control objectives.</p>
11.Year-end procedures	Appropriate accounting procedures used	Accounts are produced on a receipts and payments basis. All were found to be in order.
	Financial trail from records to presented accounts	There is an underlying financial trail from financial records to the accounts produced.
	Has the appropriate end of year AGAR documents been completed?	<p>As the Council is a smaller authority with gross income and expenditure exceeding £25,000 but not exceeding £6.5million it has completed Parts 1 and 2 of Part 3 of the AGAR which were approved by full Council at a meeting of 25th June 2020.</p> <p>Recommendation: given the comment made in the Internal Audit report for the year ending 31 March 2019, Council has answered in the affirmative to Assertion 4 of the Annual Governance Statement for the year ending 31 March 2020. Council is advised to review its response in light of the comments made - which are repeated below for clarity: "for the period ending 31st March 2019, Council has failed to fully complete the Notice of Public Rights and Publication of Unaudited Annual Governance and Accountability Return as it has omitted the following details:</p> <ul style="list-style-type: none"> • Date of announcement • Details of person to contact to view the accounts • Details of person making the announcement
	Where an authority certified itself exempt in 2018/19, did it met the exemption criteria and correctly declared itself exempt?	As the Council was a smaller authority with gross income and expenditure exceeding £25,000 during the year 2018/19, it was not able to certify itself as an exempt authority.
	During Summer 2019 did the smaller authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations?	The Internal Auditor was not able to confirm that the details of the arrangements for the exercise of public rights for the period ending 31 st March 2019 were published on the public accessible website as the form uploaded onto the Council website is lacking the following details: date of announcement; name and position of person to whom any person may make a request to inpsct the accounts and details of person making the announcement.

		<p>Recommendation: given the comment above under the section “Has the appropriate end of year AGAR documents been completed”, Council should answer in the negative to Assertion 4 for the year ending 31st March 2020 as it has failed to make proper provision in the year 2019/2020 for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.</p>
	<p>Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015</p>	<p>The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 and published the following for the year 2018/19 on a public website:</p> <p>Annual Internal Audit Report of the AGAR Section 1 – Annual Governance Statement of the AGAR Section 2 – Accounting Statements of the AGAR Section 3 – The External Auditor Report and Certificate</p> <p><i>The following form, as seen on the website, was not completed:</i> Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.</p>
	<p>The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020</p>	<p>Owing to the increasing impact of COVID19 MHCLG has made amended Regulations which extend the statutory audit deadlines for 2019-20 only for all Category 2 smaller authorities (town and parish councils, parish meetings, internal drainage boards and other authorities):</p> <ul style="list-style-type: none"> • The requirement for the public inspection period to include the first 10 working days of July has been removed • Instead, smaller authorities must commence the public inspection period on or before 1 September 2020. Authorities are urged to commence this period as soon as possible • The AGAR must be approved and published by 31 August 2020 at the latest or may be approved earlier, wherever possible. <p>This meant that for 2019-2020, the period for the exercise of public rights should be held at any time after the approval of the accounts and AGAR provided it is commenced by 1 September at the latest. It is confirmed that the Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015 for the year 2019-2020 was completed in full and uploaded onto the council’s website and covered the following dates: 01 September to 12 October 2020.</p>
<p>12. Internal audit for the year ending 31 March 2019</p>	<p>Verifying that the previous internal audit reports have been considered by the Council</p>	<p>The Internal Auditor’s Report for the period ending 31st March was considered and accepted at a meeting of the Full Council of 19th September 2020.</p> <p><i>Comment: in accordance with Proper Practices, the Council has considered the report submitted by the Internal Auditor, approving the recommendations noting within the report.</i></p>

		<i>By the consideration of the audit report, Council will be able to make informed decisions when considering the authority's approval of the annual governance statement.</i>
	Verifying that appropriate action has been taken regarding recommendations raised in reports from Internal Audit	The following areas for further consideration were considered by Full Council with minor recommendations being noted for future reference: <ol style="list-style-type: none"> 1. Use of appropriate powers to identify authority to incur expenditure 2. Bank reconciliation to be formally signed off by a nominated Councillor 3. Respond to Assertion 4 in the negative as Council failed to provide for the exercise of public rights during the Summer of 2019. 4. Review of information to be published in accordance with the Accounts and Audit Regulations 2015 5. Publication of the Final External Auditor Report and Certificate. 6. All loose-leaf minutes are consecutively numbered. 7. The minutes of the meeting of 29th June 2019 be signed at the next Parish Council meeting to ensure that there is authentication that the meeting is deemed to have been duly convened and held, and that all the members present at the meeting were duly qualified.
	Confirmation of appointment of Internal Auditor	SALC was appointed to act as the Parish Council's Internal Auditor at a meeting of full Council 25 th June 2020.
13.External audit for the year ending 31 March 2019	Verifying that the external audit report has been considered by the Council	The Limited Assurance Review for the period ending 31 st March 2019 was presented to full Council at its meeting of 17 th October 2019. Council accepted the and approved the External Auditor's signed Annual Return and Certificate. <i>Comment: in accordance with Regulation 20 of the Accounts and Audit Regulations 2015, following the completion of an audit, full Council received and considered the audit letter from the local auditor as soon as reasonably practicable.</i>
	Verifying that appropriate action has been taken regarding recommendations raised in reports from External Audit	Whilst there were no matters which had come to the external auditor's attention giving cause for concerns that relevant legislation and regulatory requirements had not been met, the external auditor made the following comment in their certificate was made " The AGAR was not accurately completed before submission for review. The AGAR had to be sent ack for amendment."
14. Annual Meeting	Annual meeting - held in accordance with legislation	The Annual Meeting of the Council was held on 16 th May 2019 with the first item on the agenda being the election of the Chairman in accordance with the Local Government Act of 1972 15(1).
15.Trustee Responsibilities	Correct identification of trustee responsibilities	The Parish Council does not as the sole trustee for any trusts and is not responsible for managing Trust funds or assets.

16. Transparency Code	Verification that the applicable Transparency Code has been correctly applied and information is published in accordance with current legislation	Councils with income over £25,000 but under £200,000 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Comment: To ensure compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), the following information should be: Publish quarterly: Individual items of expenditure that exceed £500 Government Procurement Card transactions Invitations to tender for contracts over £5,000 Details of contracts that exceed £5,000 Publish annually: Details of all land and building assets Grants to Voluntary, Community and Social Enterprise Organisations Details of number of employees whose remuneration is over £50K and job title
17. ICO Registration	Verifying that the council is registered with the ICO	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
18. General Data Protection Regulation	Verifying that the Council is compliant with the General Data Protection Regulation (GDPR) requirements <ul style="list-style-type: none"> • Audit / Impact Assessment • Privacy Notices • Procedures for dealing with Subject Access Requests • Procedure for dealing with Data Breaches • Data Retention & Disposal Policies 	Council is taking steps to ensure compliancy with the GDPR requirements and has produced a Data Protection Policy which covers in general terms 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. The Privacy Policies on the Council's website provides clarity on what personal data the council processes and for what purposes that data is held along with retention periods. <i>Comment: Council should consider expanding the policies held by the Council with reference to the list opposite, which will provide evidence that Council is meeting the requirements of the GDPR.</i> <i>Templates for the above can be found on the SALC website:</i> https://www.salc.org.uk/advice/informationmanagement/

Signed: *Victoria S Waples*

Date of Internal Audit Visits: 14.11.20

Date of Internal Audit Report: 16.11.20

On behalf of Suffolk Association of Local Councils