

Internal Audit Report for Shotley Parish Council for the year ending 31st March 2021

Clerk	Dina Bedwell
RFO (if different)	
Chairperson	Richard Wrinch
Precept	£63,991.00
Income	£89,019.97
Expenditure	£62,723.11
General reserves	£107,370.53
Earmarked reserves	£35,500.00
Audit type	Annual
Auditor name	Vicky Waples

Introduction

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

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

- the effectiveness of operations
- the economic and efficient use of resources

- Compliance with applicable policies, procedures, laws and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- the integrity and reliability of information, accounts and data

Methodology

When conducting the audit, the internal auditor may:

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

Section 1 – proper bookkeeping		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses the RBS Alpha Accounting Package which produces reports on a Receipts and Payments basis. This in turn allows the Responsible Financial Officer (RFO) to produce clear financial management information to the Council by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance. The cashbook is kept up to date and regularly verified against bank statements.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The RFO has ensured that the cashbook is the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system. The cashbook is reconciled on a monthly basis.
<i>Is the arithmetic correct?</i>	Yes	The accounting records were spot checked and found to be in order.
Additional comments:		

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council carried out its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	At the meeting of 14 th May 2020, Council, under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations, approved that all statutory documents approved in 2019 would remain in place for the time being. At the meeting of 17 th September 2020, Council formally adopted its current Standing Orders, a copy of which can be found

		on the Council's website, are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations, a copy of which can be found on the Council's website, contain provisions for securing competition and regulating the manner in which tenders are invited. Those adopted in 2019 are based on the model Regulations as issued by NALC in 2019. At the meeting of 17th September 2020, Council formally adopted its current Financial Regulations.
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)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority.
Additional comments:		

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

¹ Section 151 Local Government Act 1972 (d)

		<i>Comment: evidence of the authorisation of such payments was seen in the sampling records files submitted for internal audit. The RFO ensures that all payments made away from the meeting are brought back to full Council as retrospective payments and approved at the next meeting.</i>
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council although a number of payments are made by direct debit.
Is VAT correctly identified, recorded and claimed within time limits?	Yes	VAT is clearly identified in the ledger book and claimed in accordance with the guidelines for local authorities and similar bodies. The VAT records for the period 1 st April 2020 to 31 st March 2021 were verified as being correctly recorded in the cashbook. The RFO ensures claims submitted are within the regulatory time limits and appropriately recorded in the cashbook.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	At the meeting of 27 th August 2020, having confirmed that the Council met the eligibility criteria to exercise the GPOC, Council so resolved to adopt the General Power of Competence.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?		There were no payments made under this power.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	The Council has no such loans.
Additional comments:		

<p>Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.</p>
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² Localism Act

³ Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £8.12 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation submitted for Internal Audit 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 Assessment for the year under review was adopted by full Council at its meeting of 17 th September 2020.
<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 and has been reviewed on an annual basis?</i>	Yes	Council has insurance in place under a Local Council Policy with Zurich Municipal which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million; Property – Toilet Block, Shotley Gate and Fidelity Guarantee of £250thousand. <i>Comment: as recommended guidelines states that the level of Fidelity Guarantee should be at least the sum of the year-end balances plus 50% of the precept/grant being received in April of the following year, Council is working within these limits.</i> At the meeting of 21 st January 2021, the minutes evidence that Council has carried out an annual review of its insurance policy. <i>Comment: Council has noted that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, have been taken to mitigate and manage the risk.</i>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	In accordance with the Accounts and Audit Regulations 2015, Council has adopted an Internal Control Statement which formally reviews the effectiveness of its system of internal control to ensure that it has mitigation measures on place to address the risks associated with the management of public finances. The Internal Control Statement for 2020-2021 which includes

⁴ Accounts and Audit Regulations

		a written report of the review of the adopted controls was presented to and adopted by full Council at its meeting on 17 th September 2020.
<i>Evidence that a review of the effectiveness of internal audit has been carried out during the year⁵</i>	Yes	The effectiveness of internal audit was carried out within the review of the SALC Internal Auditor Terms of Reference as adopted at the above-mentioned meeting. <i>Comment: by reviewing the terms of reference and effectiveness for internal audit the council has followed guidance and demonstrated 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.</i>
Additional comments: <i>Comment: whilst all documents associated with Risk Management and Internal Controls seen on the Council's website were headed up "2020" there is no review date or adoption date on each of the adopted documents. To provide clarity as to which year the documents relate, Council, as per the Audit for 2019/20 is advised to evidence on the document that a review has taken place along with the next review date/period thereby ensuring that each policy is regularly reviewed and fit for purpose.</i>		

Section 5 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2020–2021 was set at the Council meeting of 16 th January 2020 with projected receipts of £81,851 and expenditure of £90,523.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept was set at £63,991 for 2020/2021, as confirmed at the meeting of 16 th January 2020.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	A quarterly statement summarizing the Council's receipts and payments and aggregate receipts and payments for the year to date with balances held is submitted and considered by the Council. The first quarter was considered at the meeting of 20 th December 2020 whilst quarters two and three were considered at the meeting of 18 th February 2021.

⁵ Governance and Accountability Guide

		<p><i>Comment: Council might wish to be mindful of its own Standing Orders and the prescribed timescale for which such documentation should be reviewed.</i></p>
<p><i>Reserves held – general and earmarked⁶</i></p>	<p>Yes</p>	<p>Council's year-end reserve position shows general reserves in the sum of £107,370.53 with earmarked reserves in the sum of £35,500.00.</p> <p>An explanation as to the reasoning behind why such high reserves are being held at year-end was provided and it is noted that Council transfers its reserves at the beginning of a financial year as opposed to prior to the year-end shut-down. It is anticipated that the following amounts will be transferred into an earmarked reserve from the general reserve: £6000 donation will be put into a welfare fund, £5,500 will be split into 2 reserves (£5,000 for the play areas and £500 for the Winney Queech restoration) and £4,061.36 into a CIL reserve. Further transfers will be considered once the accounts have been finalised.</p> <p><i>Comment: Council should be aware of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p>
<p>Additional comments:</p> <p><i>Budget: Council shows good practice by following the recommended key stages as to the budgetary process to be followed for the year:</i></p> <ul style="list-style-type: none"> • <i>decide the form and level of detail of the budget;</i> • <i>review the current year budget and spending;</i> • <i>determine the cost of spending plans;</i> • <i>assess levels of income;</i> • <i>bring together spending and income plans;</i> • <i>provide for contingencies and consider the need for reserves;</i> • <i>approve the budget;</i> • <i>confirm the precept or rates and special levies; and</i> • <i>review progress against the budget regularly throughout the year.</i> 		

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

Recommendation: Reserves: Council should note guidance as issued under the Practitioners Guide 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.

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
<i>Is income properly recorded and promptly banked?</i>	Yes	A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. The RFO has continued to ensure that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported within the quarterly financial reports submitted to Council and in the budgetary review reports summarizing the Council's receipts and payments for the year to date as submitted to full Council. The RFO ensures that monies received are promptly banked. <i>Comment: in order to provide a full audit trail, Council might wish to consider recording within the minutes the income that has been received since the last meeting.</i>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £63,991.00 during the year under review in April and September 2020. Evidence was provided showing a full audit trail from Precept being discussed and approved at the meeting of 16 th January 2020, served on the Charging Authority to receipt of same in the Council's Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Not applicable	For the year under review Council did not receive any CIL Receipts.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	An explanation has been provided to the Internal Auditor that, in accordance with the 2010 Regulations, the Council having a retained balance of CIL funds, will ensure that retained balances are transferred

⁷ Community Infrastructure Levy Regulations 2010

		into an Earmarked Reserve specifically allocated. It is understood that this transfer will be actioned at the commencement of the new financial year (year commencing 1 st April 2021) once Council has formally reviewed its year-end reserve position.
<i>Has an annual report been produced?</i>	Yes	Council has formally approved the Annual CIL Statement for the year 20/21 showing retained balances of monies unspent from 2019/20 in the sum of £4,061.36 This form has been uploaded onto the Council's website.
<p>Additional comments: <i>Comment: CIL Reporting: Council is aware of the requirement to ensure that it complies with its duty to produce an annual CIL report for each financial year and that such a report is uploaded onto its website by the date set by the Local Authority. The Council should ensure that the CIL report contains all of the retained unspent balances for CIL.</i></p>		

<p>Section 7 – petty cash The Internal Auditor will seek evidence that the Council has followed its own policies, procedures and verification processes and that these are up to date.</p>		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	Petty cash is not operated by the Council.

<p>Section 8 – Payroll controls The Internal Auditor will check salaries are approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. If the Clerk was recruited after 1st April 2011, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.</p>		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	

<i>Has the Council approved salary paid?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 st March 2021. Employment contracts were not reviewed during the internal audit. All salary payments are authorised by full council.
<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. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities with the member of staff being a member of the NEST Pension scheme. Payments were made in accordance with timescales specified.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR. All expenses / payments made are against itemised invoices submitted to and approved by the Council.
Additional comments: <i>There are robust payroll arrangements in place with ensures the accuracy and legitimacy of payments of salaries and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.</i>		

Section 9 – Asset control

The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.

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

Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership.
<i>Are 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 (31.03.2021) was £120,459.09 which show movement of £400.02 for street furniture
<i>Are records of deeds, articles, land registry title number available?</i>	No	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	Confirmation is given that the value of the assets declared on the Accounting Statements of the AGAR reflect the Council's Asset Register value as £120,459.09 which was signed off at the meeting of 17 th June 2021.
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under a Local Councils Policy for assets as specified on its insurance schedule.
<p>Additional comments: <i>Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2020 on the valuation of its assets and has ensured that having set the value of the asset register as at 31st March 2018, that method of valuation has been consistently applied. Movement in the register will result on the acquisition of and disposal of new and existing assets..</i></p>		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets.

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

		<i>Comment: Whilst the minutes state that the bank balances have been received, and evidence was submitted for internal audit review that such reconciliations are regularly carried out, Council might wish to note the comment within Council's adopted internal controls which states that "a full monthly bank reconciliation is carried out and the bank balances are noted on the minutes".</i>
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with period end statements and, as at year end (31 st March), the balance across the councils accounts stood at £142,870.53 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>	Yes	Balances across the Council's accounts are noted at each meeting of full Council. <i>Comment: In accordance with Proper Practices, Council might wish to implement a system whereby a Councillor carries out a review of the Council's banking internal control by formally signing off the bank reconciliation. This is not only good practice but also is a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i>
Additional comments:		

Section 11 – year end procedures		
Evidence		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payment basis, and all were 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 to review.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 1 and Section 2 - Accounting Statements of the AGAR were

¹⁰ Annual Governance & Accountability Return (AGAR)

		completed and signed having been approved by Council at a meeting of 17 th June 2021. Recommendation: it is noted that Box 10 within the Accounting Statements under the year 2020/2021 has not been completed and left blank. Council is recommended to complete this prior to submission to the external auditor.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	<i>Not applicable</i>	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<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 set the dates for the exercise of public rights as required by the 2015 Regulations for the year 2019 – 2020 as 1 st September to 12 th October 2020.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	The Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31 March 2020 and published the following on a public website: Annual Internal Audit Report of the AGAR Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Section 3 – External Audit Report and Certificate. Notice of the period for the exercise of public rights Notice of the conclusion of audit
Additional comments:		

Section 12 – internal audit The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.	
Evidence	<i>Internal auditor commentary</i>

¹¹ Accounts and Audit Regulations 2015

<i>Has the previous internal audit report been considered by the Council?</i>	Yes	The Internal Audit Report was considered and adopted by full Council at its meeting of 19 th November 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	As per Proper Practices, Council considered the internal audit report and noted the minor comments and suggestions identified within the report: <ol style="list-style-type: none"> 1. The listings upon which a financial decision is made and as mentioned in the minutes be attached to the minutes 2. Insertion of review dates on policies adopted and risk assessments carried out 3. Review of the level of Fidelity Guarantee 4. Approval of the bank reconciliation by the Chair of the Parish Council 5. Review of responses to the Annual Governance Statement 6. Review of the provisions for the exercise of public rights
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of SALC as the Council's internal auditor was confirmed at the meeting of 18 th March 2021.
<p>Section 13 – external audit for the period under review The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be taken into account.</p>		
Evidence		<i>Internal auditor commentary</i>
<i>Has the previous external audit report been considered by the Council?¹²</i>	Yes	Council considered the report from the External Auditor for the year ending 31 st March 2020 at the meeting of 21 st January 2021.
<i>Has appropriate action been taken regarding the comments raised?</i>	<i>Not applicable</i>	The final External Audit Report and Certificate, with a date of 11 th January 2021, show that on the basis of the external auditor's review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in their opinion, the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.
Additional comments:		

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

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Section 14 – additional information		
The internal auditor will look for some additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence	<i>Internal auditor commentary</i>	
<i>Was the annual meeting held in accordance with legislation?</i> ¹³ <i>(note to auditor- emergency Regulations as a result of the COVID-19 pandemic)</i> ^{f14}	Yes	Council did not hold an Annual Meeting of the Parish Council during the year under review. <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. It also repealed the requirement to hold an annual meeting of the Council prior to 7th May 2021. Council has followed these regulations and held its meetings via the Zoom Videoconferencing platform.</i>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁵	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting.
<i>Is there a list of members’ interests held?</i>	Yes	Evidence was seen on the District Authority’s website of the Register of Interests for all current Parish Councillors.
<i>Does the Council have any Trustee responsibilities and if so are these clearly identified in a Trust Document?</i>	Not applicable	The Parish Council does not act as a sole trustee.

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

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

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

<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	<i>Partly met</i>	Councils with income over £25,000 but under £200,00 will be expected (but are not legally required to do so) to follow the Local Government Transparency Code 2015 (turnover exceeding £200,000). Council is working towards ensuring compliance with the requirements under the Transparency Code 2015.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁶</i>	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation. Reference: ZA806743 Expires 09.11.2021
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	The Council has taken steps to ensure compliancy. <i>Comment: Council has expanded its range of GDPR documents detailing the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party; how it will handle Subject Access Requests and the steps the Council will undertake to identify and handle data breaches. Council is also aware that it should ensure that an audit is carried out on the occasion of the adoption of a new policy which potential GDPR implications.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁷</i>	No	There was no 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>Is there evidence that electronic files are backed up?</i>	Yes	Council has in place a system whereby an auto back-up of Council's day to day records to a cloud-based system takes place on a daily basis.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	
<p>Additional comments: Transparency Code 2015 - To ensure full compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), the following information should be published in accordance with the required timescales: quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions;</p>		

¹⁶ Data Protection Act 2018

¹⁷ Website Accessibility Regulations 2018

Invitations to tender for contracts over £5,000;
Details of contracts that exceed £5,000;
annually;
Details of all land and building assets;
Grants to Voluntary, Community and Social Enterprise Organisations.

Recommendation: As The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 are now in force, Council should ensure that at the very minimum it publishes on its website, a Website Accessibility Statement, which has identified the areas which are not accessible and shows that Council has a forward plan so that it can make changes to improve this.

Signed: *Victoria S Waples*

Date of Internal Audit Visit: 17.09.21 & 22.09.21

Date of Internal Audit Report: 23 September 2021

On behalf of Suffolk Association of Local Councils