



Internal Audit Report for Needham Market for the period ending 31 March 2023

Clerk	Kevin Hunter
RFO (if different)	Louise Mills
Chairperson	Councillor J E Lea
Precept	£ 140,740 (rounded)
Income	£ 561,985 (rounded)
Expenditure	£ 573,864 (rounded)
General reserves	£ 78,850 (rounded)
Earmarked reserves	£ 100,758 (rounded)
Audit type	Annual
Auditor name	Victoria Waples on behalf of SALC

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

<p>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.</p>	
<p><i>Internal auditor commentary</i></p>	
<p>Evidence</p>	
<p><i>Is the ledger maintained and up to date?</i></p>	<p>Yes</p>
<p><i>Is the cash book up to date and regularly verified?</i></p>	<p>Yes</p>
<p><i>Is the arithmetic correct?</i></p>	<p>Yes</p>
<p>Additional comments:</p>	
<p>The Council uses the Sage Accounting Financial Package which is a purpose-built accounting system which is then analysed to produce reports on an Income and Expenditure basis. Cash books are reconciled on a monthly basis with summary reports submitted to full Council. Spot checks were made and were found to be correct. <i>Comment: The RFO shows best practise by ensuring, for further transparency and scrutiny, that all payments and receipts have supporting documentation allowing a full description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i></p>	

<p>Section 2 – Financial Regulation and Standing Orders The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.</p>	
<p><i>Internal auditor commentary</i></p>	
<p>Evidence</p>	
<p>Have Standing Orders been adopted, up to date and reviewed annually?</p>	<p>Yes</p>
<p>The Standing Orders, as seen on the Parish Council's website, show an adopted date of 26th April 2021 and are in the main based on the latest model published by the National Association of Local Councils (2018). Whilst they are compliant with legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council they have not been formally reviewed since the adoption date. <i>Comment: Council should be aware of the requirement to ensure that its Standing Orders are fully tailored to the council and that in accordance with</i></p>	

		<p><i>proper practices they need to be regularly reviewed, fit for purpose and adhered to.</i></p>
<p>Are Financial Regulations up to date and reviewed annually?</p>	<p>Yes</p>	<p>Financial Regulations (FR), as seen on the Council's website show that they were reviewed and update on February 2013 and yet the minutes of the meeting of 20th July 2022 demonstrate that Council received and adopted its Financial Regulations. A copy was submitted for internal audit review, and it is confirmed that those adopted are based on the NALC version issued in 2019. It is confirmed by the Town Clerk that the adopted version dated 20th July 2022 will be uploaded to the website over the coming days. <i>Comment: at the next annual review, Council might wish to also review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 and make the changes to the contract value limits from £25,000 to £30,000 for non-central government authorities. The contract value limits are to be calculated inclusive of VAT (effective from 1st January 2022).</i></p>
<p>Has the Council properly tailored the Financial Regulations?</p>	<p>Yes</p>	<p>The Council's Financial Regulations have been fully tailored to the Parish Council.</p>
<p>Has the Council appointed a Responsible Financial Officer (RFO)?¹</p>	<p>Yes</p>	<p>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. The minutes of 19th January 2022 demonstrate confirmation of the appointment.</p>
<p>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.

¹ Section 151 Local Government Act 1972 (d)

Evidence	<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes Council continues with the practice of presenting both the Governance and Finance Committee and full Council with a list of all payments due for settlement for formal approval with such expenditure being shown in the minutes and evidence of such paperwork retained within the files submitted for internal audit. Authorisation levels are in accordance with the adopted Financial Regulations of 20 th July 2022. Spot checks on payments over £1,000 were cross checked against voucher system, cashbook, payment settlement documentation and minutes and found to be in order and correctly approved in accordance with Council's own Financial Regulations. 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 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?	Yes Internet banking is operated in accordance with the Council's own Financial Regulations and is used for the settlement of the Council's expenditure.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes VAT is identified within the Sage Accounting system. Reclaims for the periods 1 st April to 31 st December 2022 were seen and verified on the Council operated financial system. The year-end balance for the year ending 31.03.23 stands at £4,885.43 and has been correctly recorded as a debtor in the year-end accounts.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A The council is not eligible to use the General Power of Competence (Prescribed under Conditions) Order 2012.

² Localism Act

<p>Are payments under s.137³ separately recorded, minuted and is there evidence of direct benefit to electorate?</p> <p>Are procedures followed in the awarding of contracts?</p>	<p>Yes</p>	<p>At the meeting of 18th May 2022, the Clerk confirmed the limits of the amount permitted to be expended under this power and provided the Council with a report of expenditure so incurred within the prescribed limits.</p>
<p>Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?</p> <p>Additional comments:</p>	<p>Partially met</p>	<p>Crowley Park Pavilion Improvement Project - the Pavilion Refurbishment being a Capital Project undertaken by the Council followed a tender process in which three quotes against a tender document were sought, obtained and discussed with agreement come forth at the meeting of Full Council of 18th May 2022 for contracts to be so awarded. It is noted that the project was substantially funded by s106 monies released by the District Council. Council in choosing to invite specific firms to tender, has ensured that the reasons for such an action is recorded in accordance with guidance and that in all other aspects it has complied with Financial Regulations 11.1d through to 11.1f.</p> <p><i>Comment: Council should note that Regulation 112 of the Public Contract Regulations 2015 states that, in such circumstances, where the opportunity was not advertised on the Contracts Finder Website, it must still publish the awarding of the contract (under £25,00 prior to 21st December 2022 and over £30,000 thereafter) on the Contracts Finder within a reasonable timeframe.</i></p> <p>Recommendation: Once a contract has been awarded contracting authorities are required to publish at least the following information on Contracts Finder. It is recommended that this information is published in the Award Details section.</p> <p>I. the full company name of the winning contractor; II. the date on which the contract was entered into; III. the total value of the contract in pounds sterling.</p> <p>Council has no such loans.</p>

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 £8.41 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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>	
Evidence	Internal auditor commentary
<p><i>Is there evidence of risk assessment documentation?</i></p>	<p>Yes</p> <p>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 Management and Risk Assessment Register for the year under review was considered and adopted by Full Council at its meeting of 20th July 2022.</p>
<p><i>Is there evidence that risks are being identified and managed?</i></p>	<p>Yes</p> <p>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.</p>
<p><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></p>	<p>Yes</p> <p>Council has insurance in place under a Commercial Combined Insurance Policy for local councils with Aviva which shows core cover for the following: Public liability: £10million; Public/Products Liability: £10million; Business Interruption for 4 premises; and Management Liability of £250thousand. Insurance cover is also in place for four premises as identified within the Schedule. <i>Comment: Council might wish to review the provisions of the Fidelity Cover at renewal noting that it is recommended that cover should be equal to at least the sum of the year-end balances plus 50% of the being sourced. precept/grants to be received in the following April/May.</i></p> <p>During the year, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, annual reviews of the Council's insurance were undertaken prior</p>

		<p>to renewal. The minutes of 7th February 2023 of the Governance and Finance Committee demonstrate that insurance cover was further reviewed and increased to take into account the recently completed Crowley Park Pavilion Refurbishment and extension project.</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 reviewed⁴</i></p>	<p>Yes</p>	<p>At the meeting of Full Council of 20th July 2022, Council adopted an Internal Control Document in which, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, it was 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. Details of the internal controls that are applicable to the Council can be found within its Risk Management Policy and Register.</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 appointment⁵</i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements at the above-mentioned meeting details of which are also located within the Risk Management Policy and Register.</p> <p><i>Comment: the review of the terms of reference and effectiveness of internal audit are demonstration that Council has understood that the role of internal audit is to evaluate and report on the adequacy of the system on internal control.</i></p>

Additional comments:

Section 5 – Budgetary controls

The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed.

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Evidence	Internal auditor commentary
Verify that budget has been properly prepared and agreed	<p>Full Council, at its meeting of 19th January 2022, gave agreement to approve the budget to be set in the sum of £133,560 with a precept to be requested in the sum of £140,739.72.</p> <p><i>Comment: for clarity and transparency Council has ensured that the minutes show the actual budget figures being approved so that there is clarity on all aspects of the budget, precept and implications for Band D Council Tax.</i></p>
Verify that the precept amount has been agreed in full Council and clearly minuted	<p>Full Council at the same meeting, approved that a precept be levied on Mid Suffolk District Council in the sum of £140,739.72 which would result in a 3% increase over that set for 2021-2022. The minutes demonstrate that this would equate to a Council Tax Band D amount of £82.31</p>
Regular reporting of expenditure and variances from budget	<p>A review of the budget including detailed income and expenditure position is reported to the Governance and Finance Committee with evidence seen of quarterly budget report to actual with committed expenditure and funds available breakdown. The Town Clerk has confirmed that the RFO monitors the budget and provides commentary on the highlights to the committees responsible for each area or the Town Clerk should there be any areas of concern.</p>
Reserves held – general and earmarked ⁶	<p>The Council, as at year-end had general reserves totalling £78,849.91 and earmarked reserves totalling £100,758.12</p> <p><i>Comment: in accordance with guidance as issued under the Practitioners Guide, Council adopted a Reserves Policy Statement at its meeting of the Governance and Finance Committee of 7th February 2023 which is to be used as the basis for the allocation of Council's General Reserves as well as a formal review of the Council's Earmarked Reserves. Council is aware that explanations as to the high level of general reserves being held will need to be submitted to the External Auditor as well as evidence that it has reviewed the level and purpose of all Earmarked Reserves.</i></p>
Additional comments:	<p><i>Council has followed the recommended key stages as to the budgetary process for the year: decide the form and level of detail of the budget; review the current year budget and spending; determine the cost of spending plans; assess levels of income; bring together spending and income plans; provide for contingencies and consider the need for reserves; approve the budget; confirm the precept or rates and special levies; and review progress against the budget regularly throughout the year.</i></p>

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

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.		Internal auditor commentary
Evidence	Yes	
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council's Financial Regulations and reported within the Receipts and Payments Reports received by the Governance and Finance Committee and full Council. Spot checks on further items paid during the year under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Parish Council. All were found to be in order with a clear underlying audit trail. An audit trail for a selection of receipts was reviewed and verified against bank statement, invoice and spreadsheets.
<i>Is income reported to full council?</i>	Yes	Income received is reported within the financial reports summarizing the Council's receipts and payments as submitted to the Governance and Finance Committee.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £140,739.72 from Mid Suffolk District Council for the period under review. 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?⁷</i>	Yes	During the year under review, Council received CIL receipts totalling £43,547.72. The RFO maintains a comprehensive spreadsheet detailing running totals along with expiry date of money received. 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 within the financial reports submitted to the Governance and Finance Committee, the minutes of such meeting being reported to full Council.

⁷ Community Infrastructure Levy Regulations 2010

<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL annual report for 2022/2023 shows that there is a retained balance of £37,758.12 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 reflects the sums incurred, expended and retained by the Council.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year 2022 - 2023 has been uploaded onto the Council's website.
Additional comments:		

Section 7 – petty cash The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	Yes	Petty cash reconciliations are conducted on a regular basis and are entered into the petty cash book. At year-end the balance was £72.35 with the reconciliation sheets verified and signed as having been reconciled.
<i>If appropriate, is there an adequate control system in place?</i>	Yes	The float maintained is adequate to meet small items of expenditure. Adequate records of receipts and payments are maintained. The location of the petty cash tin was not verified during the internal audit review which was carried out remotely.
Additional comments:		

Section 8 – Payroll controls The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary

<p><i>Do all employees have contracts of employment?</i></p>	<p>Yes</p>	<p>Council had 6 employees on its payroll at the period end of 31st March 2023. Employment contracts were not reviewed during the internal audit visit for the year ending 31st March 2023 but it was confirmed that all members of staff had an employment contract or statement of particulars.</p>
<p><i>Has the Council approved salary paid?</i></p>	<p>Yes</p>	<p>All salary payments are presented to full Council for approval and payments are so authorised. <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></p>
<p><i>Minimum wage paid?</i></p>	<p>Yes</p>	
<p><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></p>	<p>Yes</p>	<p>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.</p>
<p><i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i></p>	<p>Yes</p>	<p>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 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.</p>
<p><i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i></p>	<p>Yes</p>	<p>Council is aware of its pension responsibilities and payments are made in accordance with timescales agreed with the Council's Pension Provider. <i>Comment: Council's re-declaration of compliance with regards to re-enrolment was mentioned as having taken place in April 2022 (internal audit review for the year ending 31st March 2022).</i></p>
<p><i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i></p>	<p>Yes</p>	<p>There is a satisfactory expense system in place and all staff expenses claimed are approved in accordance with Council's Financial Regulations.</p>
<p>Additional comments:</p>		

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

<p>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.</p>	
<p>Internal auditor commentary</p>	
<p>Evidence</p>	
<p><i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i></p>	<p>Yes</p>
<p><i>Is the value of the assets included? (Note value for insurance purposes may differ)</i></p>	<p>Yes</p>
<p><i>Are records of deeds, articles, land registry title number available?</i></p>	<p>N/A</p>
<p><i>Is the asset register up to date and reviewed annually?</i></p>	<p>Yes</p>
<p>The Asset Register, as viewed on the Council's website, and as approved at the meeting of the Finance and Governance Committee on 22nd June 2022, was reviewed during the Internal Audit Visit for year-end and reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets on the register was £985,203.18 following a revaluation of a number of assets.</p> <p>The Governance and Accountability for Smaller Authorities in England March 2022 provides clarity on the valuation of assets and the manner in which the register should be maintained including the method of valuation. A review of the asset register shows a variety of methods used for valuation: acquisition cost; historic cost and valuation cost.</p> <p>Recommendation: Council should be mindful of the guidance within the Governance and Accountability for Smaller Authorities in England, March 2022, on the valuation of its assets which requires authorities to apply a reasonable approach to asset valuation which is consistent from year to year. Where an authority changes its method of valuation during a financial year, the Council should note that it will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Guide. An explanation of the variance will be required.</p> <p>Records of deeds, articles, land registry title number were not reviewed during the internal audit review.</p> <p>The asset register has been signed off by the council in relation to the year-end procedures and it is confirmed that the values submitted on the Draft</p>	

⁹ Practitioners Guide

	Annual Governance and Accountability Return for Internal Audit reflect that as approved at the meeting of 17 th May 2023.
Cross checking of insurance cover	Yes Council has insurance under all risks cover for its assets to the value as stated under generic headings within its insurance schedule.
Additional comments:	

Section 10 – bank reconciliation The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.	
Evidence	Internal auditor commentary
Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	Yes Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. There is regular reporting of bank balances held within the detailed financial reports submitted at Governance and Finance Committee meetings with the minutes of the Committee being formally approved at the next relevant Full Council meeting.
Do bank balances agree with bank statements?	Yes Bank balances agree with period end statements and, as at year end (31 st March 2023) the balance across the councils accounts stood at £190,469.49 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation.
Is there regular reporting of bank balances at Council meetings?	Yes Balances across the Council's accounts are reported at each relevant meeting. The RFO has ensured that the 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 and therefore aids decision-making. <i>Comment: Council has implemented the practice of ensuring that, in accordance with Proper Practises, a system in introduced whereby an appointed Councillor (whether the Chair or Chair of Governance and Finance) conducts a review of the Council's banking internal control by formally signing off the bank reconciliation. This is not only good practice but</i>

				<i>is also 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 an income and expenditure basis, and all were found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes			Debtors and creditors have been properly recorded. Council has ensured that its records detail the assets and liabilities of the authority including the asset and investment register and records of loans and other debts. There is a full audit trail from records to presented accounts with year-end balances agreeing with cash book and bank reconciliations: Debtors: £132.00 VAT Account: £4,885.43 Bank Accounts: £190,469.49 Prepayments: 344.31 less Liabilities: £16,223.20 Represented by: Total Reserves: £179,608.03
<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 – Annual Governance Statement and Section 2 - Accounting Statements of the AGAR were completed and approved and signed as such by the Council at the meeting of 17 th May 2023 with the Accounting Statements having been signed by the Clerk on 16 th May 2023.

¹⁰ Annual Governance & Accountability Return (AGAR)

<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Not applicable</p>	<p>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.</p>
<p><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></p>	<p>Yes</p>	<p>During the review of the publication requirements of the Accounts and Audit Regulations 2015, for the year 2021-2022, the Council correctly provided for the exercise of elector's rights during Summer 2022. The RFO had set the dates for the inspection of the Council's accounts and associated documents as 20th June through to 29th July 2022.</p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>Partly met</p>	<p>In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council partially complied with the requirements of the Accounts and Audit Regulations 2015 for the year ending 31st March 2022 as it published the following on its website: Annual Internal Audit Section 1 - Annual Governance Statement Section 2 - Accounting Statements Section 3 - The External Auditor Report and Certificate Notice of the period for the exercise of public rights and other information required by Regulation 15(2) Accounts and Audit Regulations 2015. <i>Comment: Council might wish to note that there is a requirement to ensure that Sections 1, 2 and 3 are published and remain available for public access for a period of not less than 5 years from the date of publication.</i> Those in bold are missing from the website.</p>
<p>Additional comments: Council should be aware that it needs to answer Section 11a on the Accounting Statements as submitted for internal audit review.</p>		
<p>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.</p>		
<p>Evidence</p>	<p><i>Internal auditor commentary</i></p>	

¹¹ Accounts and Audit Regulations 2015

	Yes	<p>The Internal Audit Report for the period ending 31st March 2022 was formally considered by Full Council at meeting of 20th July 2022 with formal adoption of the report. It was noted that a number of recommendations made by the Internal Auditor were in the process of being action or had been completed.</p>
<p>Has appropriate action been taken regarding the recommendations raised?</p>	Yes	<p>The following recommendations as raised in the internal audit report for the period ending 31st March 2022, having been considered by the Finance and Governance Committee with approval for their implementation by full Council, have been / are in the process of being implemented:</p> <ol style="list-style-type: none"> 1. Full Council to agree and adopt Financial Regulations – closed 2. Annual review of internal controls - closed 3. Implementation of a robust budget monitoring system including variances for both income and expenditure - closed 4. Review and acceptance of the External Audit Report for full Council with the implementation of an audit plan to address the weaknesses identified. <p><i>Comment: 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></p>
<p>Has the Council confirmed the appointment of an internal auditor?</p>	Yes	<p>SALC were appointed as the Council's internal auditors for the year ending 31st March 2023 by full Council at its meeting of 18th May 2022.</p> <p><i>Comment: Council has understood the requirement to ensure that it has a clear understanding of the roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i></p>
<p>Additional comments:</p>		

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

<p>Has the Council considered the previous external audit report?¹²</p>	<p>Yes</p>	<p>At the meeting of full Council of 28th September 2022, Council considered the report from the External Auditor for the year ending 31st March 2022.</p>
<p>Has appropriate action been taken regarding the comments raised?</p>	<p>Yes</p>	<p>Whilst there were no matters which come to the attention of the external auditor which have cause for concern that relevant legislation and regulatory requirements had not been met, the following comments were made on the AGAR as submitted: Section 1, Assertion 5, has been incorrectly completed. Information received from the smaller authority confirms that while risk management has been carried out during the year where necessary, there has been no formal approval of the risk assessment by Full Council during the year under review. As a result, the answer to this assertion should have been "No". This is consistent with the Internal Auditor's response to Internal Control Objective C." <i>Comment: Council has reviewed the areas identified within the internal audit report for the year ending 31st March 2022 and has taken active steps to address the weaknesses identified.</i></p>
<p>Additional comments:</p>		
<p>Section 14 – additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.</p>		
<p>Evidence</p>		
<p><i>Internal auditor commentary</i></p> <p>Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 18th May 2022 in accordance with legislation in place at that time.</p>		

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

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

<p><i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴</p>	<p>Partly met</p>	<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. <i>Comment: the minutes dated 28th September are still showing as draft on the website although they were approved at the following meeting.</i></p>
<p><i>Is there a list of members' interests held?</i></p>	<p>Yes</p>	<p>Evidence was seen on the District Authority's website the Register of Interests for all current Parish Councillors with a direct link from the Council's own website.</p>
<p><i>Adoption of the Code of Conduct?</i></p>	<p>Yes</p>	<p>At the meeting of 10th May 2022, the Governance and Finance Committee agreed that the Council would adopt the Model Councillor Code of Conduct 2020, as produced by the Local Government Association (LGA), for the purposes of discharging its duty to promote and maintain high standards of conduct within its area. This decision was ratified at the meeting of Full Council of 18th May 2022 at which the minutes from that meeting were accepted and approved. <i>Comment: a copy of the recently adopted Code should be published on the Council's website in place of the Code adopted in 2014.</i></p>
<p><i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i></p>	<p>None held</p>	<p>Council does not have any Trustee Responsibilities.</p>
<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p>In progress</p>	<p>Council is working towards ensuring compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), and the Clerk is in the process of updating the Council's website with the following information in accordance with the required timescales: Publication quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000. Publication annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart Recommendation: as this Code applies to local authorities, including parish councils with annual income or expenditure (whichever is the</p>

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

	Yes	<p>higher) over £200,000, Council is advised to take action to ensure that it publishes information proactively in accordance with the requirements of the Code. See Council's Standing Order 20b.</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>However, Council does not appear to have a Model Publication Scheme detailing the type of information the Council holds and how it will make it available to the public.</p> <p>Recommendation: Under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. Council should seek to review the information it holds and collate it into a publication scheme that is available on its website. Templates are available from the SALC website.</p>
<p>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</p>	Yes	<p>Council has taken active steps to ensure compliance with the GDPR requirements and has reviewed its GDPR Policies during the year ensuring that at all times it is able to provide 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>Is the Council compliant with the General Data Protection Regulation requirements?</p>	In Progress	<p>Whilst Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, it should note that there is a requirement to publish 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</p>
<p>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</p>		

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

		content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
		Recommendation: Council takes step to publish a website accessibility statement detailing the above technical information.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Currently, Council uses a ".co.uk" email address for official business which not only complies with GDPR but demonstrates that the council has an official status thereby building trust, credibility and authenticity.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council's day to day records are back-up in a manner which is appropriate to the council and adequately stored.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Terms of reference for the Council's standing committees are in existence and it is assumed that there were reviewed at the meeting at which appointments to the committees were made.
Additional comments: The Internal Auditor offers her appreciation for the assistance given by the Town and Deputy Clerk in the completing of this audit. Overall, Council has continued to maintain effective and strong governance arrangements and can show evidence of good financial practice.		

Signed: *V S Waples*

Date of Internal Audit Review: 18.05.2023 & 20.05.23

Date of Internal Audit Report: 20.05.23

On behalf of Suffolk Association of Local Councils