

Internal Audit Report for Woodbridge for the period ending 31 March 2023

Clerk	Greg Diaper	
RFO (if different)	-	
Chairperson	Councillor Patrick Gillard	
	Annual Budget	Actual to 31.03.23
Precept	£385,542	£385,542
Other Income	£210,723	£116,338
Expenditure	£596,264	£460,384
General reserves	£ 88,020	
Earmarked reserves	£443,813	
Audit type	Annual	
Auditor name	Victoria 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:

- 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

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 Omega Accounting Package which is a purpose-built accounting system for town and parish councils and is able to produce reports on an Income and Expenditure basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	Council follows Proper Practices in ensuring that the Council’s 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 and the Responsible Financial Officer (RFO) has used the full suite of accounting and reporting tools associated with the package to produce clear financial management information to the Council on both a monthly and annual basis.
<i>Is the arithmetic correct?</i>	Yes	Spot checks were made and were found to be correct. Cash books are reconciled on a monthly basis. <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>
Additional comments:		

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.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Standing Orders, as seen on the Parish Council’s website, show an adopted date of 17 th May 2022, and are based on the latest model published

		by the National Association of Local Councils (2018). As such 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. <i>Comment: Council is aware of the requirement to ensure that the Standing Orders are fully tailored to the council and that in accordance with proper practices they need to be regularly reviewed, fit for purpose and adhered to.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), as seen on the Council's website show an adopted date of 22 nd June 2021 with a review date of 17 th May 2022 and are based on the NALC Model Financial Regulations 2019 with provisions included as outlined under LTN 87 - Procurement – March 2022. <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>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been fully tailored to the Town 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 (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. This was confirmed at the meeting of 5 th October 2021 and is also reflected under FR 1.8.
Additional comments:		

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.

¹ Section 151 Local Government Act 1972 (d)

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.		
Evidence		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	Council continues with the practice of presenting 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 submitted with the agendas and retained within the files submitted for internal audit. Spot checks on a sample of payments were cross checked against the cashbook, payment settlement documentation and minutes and found to be in order and correctly approved in accordance with Council's own Financial Regulations. <i>Comment: The RFO shows good practice by ensuring that Standing Order Payments and Direct Debits incurred for the month are submitted to full council in accordance with Council's Own Standing Orders and Financial Regulations.</i>
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. The Internal Control Statement details the procedure to be followed for such payments. As stated in previous internal audit reports, the accounts settled via internet banking can be readily tracked through a comprehensive audit trail.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified within the Omega Accounting system with reclaims submitted at agreed intervals. The reclaim for Quarter 1 was covered within the interim internal audit report. The claims for Quarters 2 and 3 in the sums of £12,068.46 and £6,828.14 were reviewed and verified on the Council operated financial system as having been settled on 31 st October 2022 and 20 th January 2023 respectively. The year-end balance at 31.03.23 stands at £14,168.80. and has been correctly recorded with the Council's balance sheet.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	The Internal Audit report for the year ending 31 st March 2022 confirms that the council had confirmed eligibility criteria to enable it to exercise the

² Localism Act

		General Power of Competence (Prescribed under Conditions) Order 2012 and adopted the same at its meeting on 14 th May 2019.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
Additional comments:		

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.

Evidence		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Management Scheme for the year under review is comprehensive and was considered and adopted by full Council at its meeting on 17 th May 2022. <i>Comment: following a review of the risk assessment files submitted for internal audit it is evident that Council has recognised that, having identified and assessed the risks associated with the functioning of the smaller authority, such documentation should be reviewed not less than annually by members and that risk management should be a standing item at full Council or committee meetings.</i>
<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 its assets and in particular its money. There is evidence that overall the council

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 £8.82 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

		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	<p>Council has insurance in place under a specialist policy for local councils with Zurich Municipal which shows core cover for the following: Public liability: £15million; Hirer's Liability £2million; Employer's Liability: £10million and Fidelity Guarantee of £1million.</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 to renewal. The minutes of evidence that such a review has been undertaken with agreement forthcoming that renewals of all insurances should take place and it is noted that, at renewal, Council is in a Long Term Agreement until 1st November 2023.</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>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	As identified in the Interim Internal Audit, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, Council confirmed, at the meeting of 22 nd November 2022, 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.
<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>	Yes	<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 meeting of 17th May 2022.</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>

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Additional comments:		
<p>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</p>		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	At its meeting of 18 th January 2022, full Council agreed to set a revenue budget in the sum of £596,264 to be funded from the precept and known funding streams. <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>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	Full Council at its meeting of 18 th January 2022, approved the precept to be levied on East Suffolk District Council in the sum of £385,542 which would result in an 8% increase over that set for 2021-2022. The minutes demonstrate the implications that this would have on a Band D property.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Within the financial reporting structure operated by the Council, detailed reports summarising the Council's receipts and payments for the period, 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. 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.
<i>Reserves held – general and earmarked⁶</i>	Yes	The Council, as at year-end had general reserves totalling £88,020 and earmarked reserves totalling £443,813. <i>Comment: in accordance with guidance as issued under the Practitioners Guide, Council has undertaken a formal review of its Earmarked and General</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

	<p><i>Reserves taking into account guidance as issued within the Practitioners' Guide noting the accepted recommendation that an authority's general reserve should be maintained at between three and twelve month's worth of net revenue expenditure. Council is also 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>
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<p>Additional comments: <i>Council shows comprehensive evidence of having 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>

<p>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.</p>		
Evidence		Internal auditor commentary
<p><i>Is income properly recorded and promptly banked?</i></p>	<p>Yes</p>	<p>Income is recorded in accordance with Council's Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. Council's accounting records contain all day-to-day entries of all sums of money received. 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.</p> <p>The outstanding sales ledger invoices for the period ending 31st March 2023 was seen and verified.</p> <p><i>Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of</i></p>

		<i>members, or under delegated authority by the RFO and that such approval should be shown in the accounting records.</i>
<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 full Council.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received total precept in the sum of £385,542 from East 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 £48,001.13. The RFO provides Council with a comprehensive report prior to agreement to move CIL funds into the earmarked reserves for known projects. Agreement for year-end movements to facilitate projects in the coming year was approved by the Finance Committee at its meeting of 28 th February 2023, the minutes of which were noted by full Council at its meeting of 21 st March 2023.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported within the financial reports submitted to full Council.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL reserve and projects to be funded from the CIL reserve from part of the Council's overall Earmarked Reserves, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement showing retained balances of £110,284.28 was available to view on the Council's website.
<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 and has been signed by the Town Clerk and Deputy Town Clerk.
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

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. The transaction records were reviewed during the internal audit review. A balance of £92.67 was reported as part of the year-end balances at the meeting of 18 th April 2023. <i>Comment: it has not been possible to verify the petty cash balances held in the office against Cash Book 4 as the internal audit has been carried out remotely in accordance with the Council's instructions.</i>
<i>If appropriate, is there an adequate control system in place?</i>	Not tested	The float maintained appears to be adequate to meet small items of expenditure and is reimbursed on an appropriate frequency. <i>Comment: the float maintained and system used is in accordance with the Internal Control Statement which covers the authorisation of approved persons being permitted to with draw funds provided that they are for petty cash purposes only. Such withdrawals are to be made in accordance with FR6.21</i>
<i>Additional comments: the Risk Assessment carried out in relation to Cash Handling (01.08.2022) states that effective 1st August 2022, Woodbridge Town Council operates cash free apart from petty cash purchases made by staff.</i>		

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
<i>Do all employees have contracts of employment?</i>	Yes	Council had 6 employees on its payroll at the period end of 31 st March 2023. It is confirmed that all members of Staff have contracts of employment.

<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made in accordance with Council's Financial Regulations. via Standing Order.
<i>Minimum wage paid?</i>	Yes	One employee is paid the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	Council operates with a Staffing Committee with delegated powers to monitor all staff expenditure and review and recommend changes to employee terms and conditions of employment including rates of pay. The minutes of the Committee Meeting of 28 th March 2023 reflect that the yearly appraisals have been carried out for all staff with recommendations to be passed to full Council for contractual increases in pay. The same meeting agreed to recommend to full council updated job descriptions for the Council's Administrative Assistant and Deputy Town Clerk,. All of which were formally approved ta the meeting of full council of 18 th April 2023 (effective 1 st April 2023).
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	Council uses "Moneysoft" payroll software which 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 period under review were made in accordance with timescales as set out in the regulations. <i>Comment: there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>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 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 is due by 20 July 2023.</i>
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	There is a satisfactory expense system in place and all staff expenses claimed are approved in accordance with Council's Financial Regulations.
Additional comments:		

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

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.		
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, as viewed on the Council’s website, and as approved at the meeting of full Council on 21 st March 2023, 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 ££897,467.02 which reflected overall movement in the register for acquisitions to the value of £56,469.80. The opening balance of the asset register at 1 st April 2022 is noted as £840,997.22
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2022 on the valuation of its assets and has ensured that where the acquisition value of the asset at the time of first recording is used, that method of valuation has been consistently applied.
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	Records of deeds, articles, land registry title number were not reviewed during the internal audit review.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register in the value of £897,467 was formally approved at the full Council meeting of 21 st March 2023 and it is confirmed that the values submitted on the Draft Annual Governance and Accountability Return for Internal Audit reflect that as approved at that meeting.
<i>Cross checking of insurance cover</i>	Yes	All risks cover is in place on a banding scale to cover the Council’s assets as listed within the schedule. Specific cover for specialised items is listed within the insurance document with Property Damage Insurance for Council owned Buildings and Land as identified within the Council’s Asset Register.

⁹ Practitioners Guide

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
<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. There is regular reporting of bank balances held within the detailed financial reports submitted to full Council.
<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 2023) the balance across the councils accounts stood at £538,786.64 as recorded in the Draft Statement of Accounts and on the Year-end Bank Reconciliation.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council's accounts are reported at each meeting of full Council. In accordance with Council's Internal Control Statement, 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.

Additional comments:

Section 11 – year end procedures

Evidence		Internal auditor commentary
<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: Assets: £10,051 VAT Account: £14,169 Bank Accounts: £537,560 less Liabilities: £29,947 Represented by: Total Reserves: £531,833
<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 2 - Accounting Statements of the AGAR were completed but unsigned by the RFO at the time of Internal Audit.
<i>Did the Council meet the exemption criteria and correctly declare itself exempt?</i>	Not applicable	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	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 13 th June to 27 th July 2022.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	Yes	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 did comply with the requirements of the Accounts and Audit Regulations 2015 for the year ending 31 st 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

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

		<p>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></p>
Additional comments:		
<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>		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The Interim Internal Audit Report for the period ending 31 st October 2022 was formally considered by the Finance Committee at its meeting of 1 st December 2022 with formal adoption of the report by full Council confirmed at the meeting of 20 th December 2022.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	There were no recommendations for Council to address. <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 from the outcomes identified (if applicable).</i>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	SALC were re-appointed as the Council's internal auditors for the year ending 31 st March 2023 by full Council at the annual council meeting of 17 th May 2022. <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>
Additional comments:		

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.		
Evidence		Internal auditor commentary
<i>Has the Council considered the previous external audit report?</i> ¹²	Yes	At the meeting of full Council of 28 th September 2022, Council considered the report from the External Auditor for the year ending 31 st March 2022.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	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 and the explanatory note in relation to the management of charity funds was discussed. <i>Comment: the external auditor has noted that the responses within Section 1 of the AGAR submitted for 2021-2022 are supported by a supplementary note which has been published with the AGAR explaining the situation in respect of the two trust funds. It has been recommended that the supplementary note is referenced on the face of Sections 1 and 2 of the AGAR in future years.</i>
Additional comments:		
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.		
Evidence		Internal auditor commentary
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Council at which the Mayor and other Officials were elected on 17 th May 2022 in accordance with legislation in place at that time.

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>Yes</p>	<p>Council has ensured that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting are formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes. Furthermore, to ensure that looseleaf minute books are lawful, Council might wish to verify that the pages are consecutively numbered and initialled by the person signing the minutes at the time of signature (LGA 1972. Sch. 12, para 41(2)).</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 for all bar one of the Council's members.</p>
<p><i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i></p>	<p>Yes</p>	<p>The Council is trustee of Elmhurst Park and Kingston Field, Charity Numbers 271063 and 304841 refer. The Council manage the charitable funds which are held within the council's accounts. The supplementary note to the accounts for 2021-2022 confirm that all income and expenditure is managed as part of the council's precept calculations and budget monitoring. It is confirmed that this situation continues. <i>Comment: whilst the Council supplies a supplementary note to the external auditor explaining the situation of the two trust funds of which the council is the sole trustee, it is advised to review the provisions as set out under 5.109 – 5.115 as detailed in the Practitioners' Guide 2023.</i></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>For Councils with income over £200,000 the provisions contained in Part 2 of the Local Government Transparency Code 2015 in relation to matters that should be published, are mandatory. See recommendation below.</p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO)?</i>¹⁵</p>	<p>Yes</p>	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. <i>Comment: Council should consider updating its Model Publication Scheme as the one seen on the website contains out of date information.</i></p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	<p>Yes</p>	<p>Council has taken active steps to ensure compliancy with the GDPR requirements and has reviewed its GDPR Policies during the year ensuring that at all times it is able to provide clear responsibilities and obligations of</p>

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

¹⁵ Data Protection Act 2018

		<p>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>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	<p>Council has published a website accessibility statement on the Council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p>
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	<p>Council operates with “.gov.uk” email addresses for the Officers and Councillors, thereby complying with GDPR and demonstrating that the council has an official status thereby building trust, credibility and authenticity.</p> <p><i>Comment: Council should ensure that, for the purposes of user management, the Proper Officer retains the ability to add and remove member and staff email accounts.</i></p>
<i>Is there evidence that electronic files are backed up?</i>	Yes	<p>Council's day to day records are automatically daily backed-up to a cloud-based secure system.</p>
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	<p>Council reviewed the terms of reference for its standing committees at the meeting of 17th May 2022. A copy of the terms of reference under which the Council and its Committees operate can be seen on the Council's website.</p>
<p><i>Recommendation: Local Government Transparency Code 2015 - to ensure full compliance with the requirements of the Local Government Transparency Code 2015 (for Council whose gross annual income or expenditure (whichever is the higher) exceeds £200,000), Council needs to ensure that the website is updated with the following information in accordance with the required timescales:</i></p> <p><i>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;</i></p>		

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisation Chart; Parking Account; Parking Spaces; Senior Salaries (if applicable)

Signed: *V S Waples*

Date of Internal Audit Review: 27/04/2023

Date of Internal Audit Report: 27.04.2023

On behalf of Suffolk Association of Local Councils