

## Internal Audit Report for Combs Parish Council for the year ending 31<sup>st</sup> March 2022

Clerk	Tony Bamber
RFO (if different)	
Chairperson	Stuart Scarff
Precept	£ 9,000.00
Income	£ 26,916.54
Expenditure	£ 23,803.62
General reserves	£ 12,720.49
Earmarked reserves	£ 25,420.00
Audit type	Annual
Auditor name	<b>Victoria Waples</b>

### Introduction

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

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

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

## Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 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 conducted as planned

<b>Section 1 – proper bookkeeping</b>		
The internal auditor will look at the methods and processes used to manage the council’s accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses an excel spreadsheet which has allowed the Responsible Financial Officer (RFO) to produce reports on a Receipts and Payments basis. Its uses has ensured that the financial transactions of the parish council are recorded and are as accurate as reasonably practicable.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The RFO has used the cashbook as the main focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system.
<i>Is the arithmetic correct?</i>	Yes	The accounting records were spot checked – they are well maintained, referenced with details as to the manner in which the payment was made and identify expenditure and income at any given point.
<b>Additional comments:</b>		

<b>Section 2 – Financial Regulation and Standing Orders</b>		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC’S latest model which include legislative changes.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Council reviewed its Standing Orders at its meeting of 6 <sup>th</sup> May 2021, a copy of which can be found on the Council’s website. The Council’s Orders are in the main based on the Model Standing Orders produced by NALC in 2018.  <i>Comment: Council might wish to review the Model Standing Orders 2020 produced by NALC which take into account changes in legislation since those produced in 2013. Council should be aware that those Standing Orders</i>

		<i>marked in bold contain legal provisions and should be adopted in their entirety.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	The Council's Financial Regulations were reviewed at the same meeting, a copy of which can be found on the Council's website, and which are based on the Model Standing Orders produced by NALC in 2019.
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Parish Council.
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority.
<b>Additional comments:</b> <i>Council might wish to note that LTN87 March 2022 – Procurement - has provided an update on the thresholds for procuring contracts. The amended values should be incorporated into the Council's Standing Orders and Financial Regulations at the next annual review.</i>		

<p><b>Section 3 – Payment controls</b>                  The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	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. Payments made away from the meeting are also brought back to full Council as retrospective payments and approved at the next meeting.
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council.

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

Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is clearly identified in the cash book. The last claim for VAT was made in June 2020 but the RFO is aware of the timescales and guidelines for such claims to be made in accordance with the guidelines for local authorities and similar bodies. The minutes of 14 <sup>th</sup> March 2022 reflect that the VAT expenditure for the previous two years would be claimed at the end of the that financial year. The year-end position of £260.05 is verified in the cashbooks.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	<i>Not applicable</i>	Council does not operate with the General Power of Competence.
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	There was one payment identified within the cashbooks under this power which covered a donation to CAB in the sum of £250.  <i>Comment: Section 142 of the Local Government Act 1972 allows the Parish Council to assist voluntary organisations who provide individuals with information and advice concerning their rights and obligations. In this case this is the correct power to be used for such donations.</i>
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	<i>Not applicable</i>	Council has no such loans.
<p><b>Additional comments:</b>                  Council might wish to note that it is the responsibility of Councillors to satisfy themselves that they have the appropriate legal power to incur expense and as such might wish to refer to the exact power being used to ensure that all financial decisions or payments being made are in accordance with statute and the Council is not undertaking any decisions or payments that are ultra vires.</p>		

**Section 4 – Risk management**

<sup>2</sup> Localism Act

<sup>3</sup> Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £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.

Evidence		Internal auditor commentary
<p>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>		
<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 6 <sup>th</sup> May 2021.
<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. Whilst 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, there is no reference to online payments and the risks associated with online banking within the Financial Risk Assessment Documentation received.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Yes	<p>Council has insurance in place under a Parish Protect Insurance Policy which shows core cover for the following: Public liability: £10m; Public/Products Liability: £10m and Fidelity Guarantee of £150k.</p> <p><i>Comment: the level of Fidelity Guarantee is sufficient to meet the recommended guidelines which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.</i></p> <p>At renewal Council is noted to be in a long-term agreement until 30<sup>th</sup> September 2022.</p> <p><i>Comment: Council might wish to evidence, via a minute reference, that it has formally reviewed its insurance confirming that all relevant insurances are in place with cover being appropriate to address any identified risks prior to giving approval to pay the annual renewal premium given at the same meeting..</i></p>

<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, Council is aware that it should formally review 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 Statement of Internal Control which details the system of internal control applied by the Council was reviewed and adopted at the meeting of 12<sup>th</sup> April 2021.</p> <p><i>Comment: in accordance with Proper Practices, Council has ensured that its system of internal controls is reviewed on a regular basis and has appointed a Councillor to carry out a quarterly review and report the findings back to the Council at each relevant meeting. This was carried out in February 2022 and reported to full Council at its meeting of 14<sup>th</sup> March 2022.</i></p>
<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment<sup>5</sup></i></p>	<p>Yes</p>	<p>Council considered the effectiveness of internal audit during the year under review within the Internal Control Statement adopted by Council at its meeting of 12<sup>th</sup> April 2021.</p> <p><i>Comment: by reviewing the terms of reference and effectiveness for internal audit the council has followed guidance and demonstrates 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></p>
<p><b>Additional comments:</b></p>		

<p><b>Section 5 – Budgetary controls</b>                  The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed</p>	
<p><b>Evidence</b></p>	<p>Internal auditor commentary</p>

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

<sup>5</sup> Practitioners Guide

<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021–2022 in the sum of £16,192 was set at the meeting of 14 <sup>th</sup> December 2020. A copy of the budget set along with monitoring measures undertaken by the Council was seen within the reports that are submitted to the Council.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept in the sum of £9,000 was set at the same meeting, with the minutes evidencing the amount to be set.
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Within the files submitted for internal audit there was evidence that reports detailing comparisons between budgeted and actual income and expenditure were submitted and considered by full Council. The budget variance report is updated each month as part of the Council's monitoring documentation which is circulated to all Councillors and approved by same at each relevant meeting.
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	Council's final accounts show general reserves in the sum of £12,720.49 with earmarked reserves in the sum of £25,420 which includes the CIL Restricted Reserve of £10848.  <i>Comment: Whilst there is no upper limit for Earmarked Reserves to be held, they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i>
<p><b>Additional comments:</b>                  Whilst Council has given an explanation as to the reasoning for the high level of general reserves and steps being taken to reduce the level, it might wish to note guidance as issued under the Practitioners Guide 2020 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.</p>		

<p><b>Section 6 – income controls</b>                  The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.</p>	
<b>Evidence</b>	Internal auditor commentary

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

<i>Is income properly recorded and promptly banked?</i>	Yes	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.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council and included within the RFO's Financial Report as submitted at each relevant meeting, which forms part of the Appendix to the minutes. The RFO ensures that monies received are promptly banked.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	The council received precept of £9,000.00 during the year under review. Evidence was provided showing a full audit trail from Precept being signed at the meeting of 11 <sup>th</sup> January 2021, 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?<sup>7</sup></i>	Yes	For the year under review Council receive CIL Receipts in the sum of £10,675.62.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts are reported to full Council once received by the Council.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	In accordance with the 2010 Regulations, the Council having a retained balance of CIL funds has ensured that retained balances are transferred into an Earmarked Reserve specifically allocated. Retained balance at 31 <sup>st</sup> March 2022 was £10,848.22..
<i>Has an annual report been produced?</i>	Yes	Council has formally approved the Annual CIL Statement, a copy of which was submitted for internal audit and viewed on the Council's website.
<i>Has it been published on the authority's website?</i>	Yes	The report for the year ending 31 <sup>st</sup> March 2022 has been uploaded onto the Council's website.
<b>Additional comments:</b>		

## Section 7 – petty cash

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

The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
<b>Evidence</b>		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>Not applicable</i>	Council does not operate a petty cash system.
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. If the Clerk was recruited after 1 <sup>st</sup> April 201, 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.		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 <sup>st</sup> March 2022. Employment contracts were not reviewed during the internal audit which was carried out via remote means.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are authorised by full Council.
<i>Minimum wage paid?</i>	Yes	The minimum wage is not applied to the Council employee.
<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	The payroll function is operated in accordance with HM Revenue. 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	Cross-checks were completed on payments covering salary and found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made within the required timescales.

<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	The notes to the Internal Auditor states that the Council made its declaration of compliance with the Pension Regulator in January 2022 with the next declaration expected to be January 2025. to ensure that it has complied with its duties as an employer.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	All expenses / payments made are against itemised invoices submitted to and approved by the Finance full Council.  <i>Comment: 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.</i>
<b>Additional comments:</b>		

<p><b>Section 9 – Asset control</b>                  The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.</p>		
<b>Evidence</b>	<b>Internal auditor commentary</b>	
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register was reviewed during the Internal Audit Visit for year-end and reflects those items listed within the Parish Council's remit for maintenance and ownership.
<i>Is 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 <sup>st</sup> March 2022) as per the AGAR is £33,588 (rounded). Assets have either been stated at cost value (fixed at 2010) in accordance with the basis as recommended by the Chartered Institute of Public Finance and Accountability (CIPFA) or where the original costs is unknown have used the insurance value for the

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

<sup>9</sup> Practitioners Guide

		<p>overall value for that asset. Where assets have been gifted or where there is no known value have been given the proxy value of £1.</p> <p><i>Comment: Council is aware that it will need to ensure its applies a reasonable approach to asset valuation which is consistent from year to year. Where it changes its method of asset valuation during a financial year, it will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Return.</i></p>
<i>Are records of deeds, articles, land registry title number available?</i>	<i>Not covered</i>	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>	<i>Yes</i>	<p>The asset register shows a value of £33,588 which reflects nil movement in the year under review.</p> <p><i>Comment: the RFO has reflected this figure on the Accounting Statements for the year ending 31<sup>st</sup> March 2022, which are still to be presented to full Council for approval.</i></p>
<i>Cross checking of insurance cover</i>	<i>Yes</i>	Council has insurance under a Parish Protect Policy for all risks cover to assets to a maximum of £50k as specified within the Council's asset register.
<b><i>Additional comments:</i></b>		

<p><b>Section 10 – bank reconciliation</b>                  The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.</p>		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	<i>Yes</i>	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the detailed financial reports submitted at each meeting and which form part of the approved minutes.
<i>Do bank balances agree with bank statements?</i>	<i>Yes</i>	Bank balances agree with period end statements and, as at year end (31 <sup>st</sup> March 2022), the balance across the councils accounts stood at £22,687.70

		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	Financial reports detailing bank balances are submitted to the Council which also cover a summary of receipts and payments for the year to date. The minutes show that bank reconciliations are received and accepted at each meeting.
<p><b>Additional comments:</b>  <i>In accordance with Proper Practises, Council has implemented 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></p>		

<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure basis, and all found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts and supporting documentation were well presented for the internal auditor to review.
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed and signed by the RFO at the time of Internal Audit.
<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 can demonstrate that it correctly provided for the exercise of public rights as required by the 2015 Regulations. Dates set were from 14 <sup>th</sup> June to 23 <sup>rd</sup> July 2021.

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

<i>Have the publication requirements been met in accordance with the Regulations?</i> <sup>11</sup>	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 2021 and published the following on a public website: Internal Audit Report (Narrative) 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
<b>Additional comments:</b>		

<p><b>Section 12 – internal audit</b>                  The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.</p>		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
<i>Has the Council considered the previous internal audit report?</i>	Yes	In accordance with Proper Practices, Council considered the internal audit report for the year ending 31 <sup>st</sup> March 2021 at its meeting of 6 <sup>th</sup> May 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Partly met	The following recommendations were contained within the audit ending 31 <sup>st</sup> March 2021: <b>1. Implementation of a General Reserve Policy</b>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	SALC were appointed as the Council's internal auditors for the year ending 10 <sup>th</sup> January 2022 at the meeting of 16 <sup>th</sup> March 2022.
<b>Additional comments:</b>		

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

<b>Section 13 – external audit for the period under review</b>		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?</i> <sup>12</sup>	Yes	Whilst the letter and certificate from the external audit were circulated to full Council, there is no minute to reflect that these were considered by full Council and the comments raised therein taken account of.
<i>Has appropriate action been taken regarding the comments raised?</i>	Yes	There were no matters raised which required the production of a separate report but Council should note the comments from the external auditor “In the prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR. The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment”.
<b>Recommendation: Council should evidence, via a minute reference, that the Council has not only received the report from the External Auditor but that it has also produced an action plan to address the issues raised within the audit letter and certificate.</b>		

<b>Section 14 – additional information</b>		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup>	Yes	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 6 <sup>th</sup> May 2021 via remote means. In accordance with the repeal of the Coronavirus Act 2020 legislation all meetings held after 7 <sup>th</sup> May 2021 were held in person.

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

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

<p><i>(Note to auditor- emergency Regulations because of the COVID-19 pandemic)<sup>14</sup></i></p>		
<p><i>Is there evidence that Minutes are administered in accordance with legislation?<sup>15</sup></i></p>	<p><i>Partly met</i></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.</p> <p><i>Comment: the minutes on the website state “Draft Until Signed”, Council should consider removing these words once the minutes have been formally approved and signed by the presiding Chair.</i></p> <p>Whilst the minutes show apologies given (where applicable), there is no formal record to show that Council has approved the apologies submitted.</p> <p><b>Recommendation: s85 of the 1972 Act states that “..if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.” Council is advised to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification. NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.</b></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 of the Register of Interests for seven Parish Councillors for Combs.</p> <p><i>Comment: Council should ensure that, in accordance with guidance, there is a direct link from the Parish Council’s website to the District Authority’s website for the Register of Interests for all current Parish Councillors</i></p>

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

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

<i>Does the Council have any Trustee responsibilities?</i>	<i>Not applicable</i>	
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	<i>Partly applied</i>	<p>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).</p> <p><i>Comment: Council might wish to consider working towards ensuring compliance with the requirements under the Transparency Code 2015 for the provisions that are relevant.</i></p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>	Yes	<p>The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: ZA751886 Expiry 20 May 2022. 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 although it is noted that Council has taken steps to proactively publish information.</p> <p><b>See recommendation below.</b></p>
<i>Is the Council compliant with the General Data Protection Regulation (GDPR) requirements?</i>	Yes	<p>As identified in the previous year's audit, Council has taken steps to ensure compliancy. It is noted that the minutes of 14<sup>th</sup> February 2022 gave consideration as to whether a privacy statement should be adopted and uploaded onto the council's website. It was concluded that currently there were no aspects of the website that required residents' data to be input and that at this stage this would be monitored to allow the council to react should circumstance change.</p> <p><i>Comment: it is assumed that Council's general privacy statement details 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.</i></p> <p><b>Recommendation: Council might wish to add a link to its privacy statement to the email address used for all correspondence ensuring that all data captured in this way is used in accordance with the lawful bases of the GDPR legislation.</b></p>

<sup>16</sup> Data Protection Act 2018

<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Yes	Council has a website accessibility statement on the Council operated pages of the 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>Does the council have official email addresses for correspondence?<sup>18</sup></i>	Yes	The Council has its own email address which is owned by the parish council and not connected to a personal email account.  <i>Comment: Council might wish to consider using a secure e-mail system with a gov.uk address which is owned by the parish council (section 5.16 of the Practitioners' Guide to Proper Practices – March 2021).</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council has in place a system whereby a back-up of Council's day to day records to "Microsoft onedrive" as well as to an external hard drive.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	None held	Council does not operate a committee system.
<p><b>Model Publication Scheme:</b>  <b>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.</b></p>		

Signed: Victoria S Waples

Date of Internal Audit Visit: 26.04.22 & 27.04.22

Date of Internal Audit Report: 27.04.22

On behalf of Suffolk Association of Local Councils

<sup>17</sup> Website Accessibility Regulations 2018

<sup>18</sup> Practitioners Guide