

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

Clerk	Sarah Keys
RFO (if different)	
Chairperson	David Wood
Precept	£ 12,800.00
Income	£ 24,812.36
Expenditure	£ 14,002.36
General reserves	£ 19,110.43
Earmarked reserves	£ 9,205.00
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 7 <sup>th</sup> March 2022, a copy of which can be found on the Council's website. The Council's Orders are based on the Model Standing Orders produced by NALC in 2018.
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?	<i>Partly met</i>	The Council's Financial Regulations have not been fully tailored to the Parish Council. <b>Recommendation: Council should ensure that its Financial Regulations are tailored to the parish council by removing the [square] sections as this creates confusion as to the intention.</b>
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. Confirmation of the appointment was initially made at the meeting of 10 <sup>th</sup> May 2021 with a further confirmation following the appointment of Mrs Keys (effective 1 <sup>st</sup> February 2022) at the meeting of 7 <sup>th</sup> February 2022.
<p><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>		

<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	Latterly, at each full Council Meeting a list of all payments circulated with the agenda is presented to the meeting to support the approval of such expenditure. Payments made away from the meeting are also brought back to full Council as retrospective payments and approved at the next meeting. Council has now ensured that, at each full Council Meeting, the full list of all payments approved for settlement is either shown in the body

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

		of the minutes or as an appendix to the approved minutes. This has ensured that Council is operating in accordance with its own Financial Regulation 5.2
Where applicable, are internet banking transactions properly recorded and approved?	<i>Not applicable</i>	Internet banking is not operated by the Council.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is clearly identified in the cash book and correctly recorded. The year-end position of £214.78 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?	Partly met	<p>There were three payments identified within the cashbooks under this power and the following should be noted:                      Payment to RBL in the sum of £50.  <i>Comment: this has been correctly allocated against this power.</i>                      Payment to CAB in the sum of £50.  <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 would have been the correct power to be used for such donations.</i>                      Payment to Tattingstone Village Hall in the sum of £4,500  <i>Comment: As this funding was given to enable the Village Hall Committee to build an extension to sore chairs and tables, Council should note that the correct power to be used for such a donation would have been either Local Government Act 1972 s133 or Local Government (Miscellaneous Provisions) Act 14976 s19.</i></p> <p>It is noted that, effective April 2022, the RFO has ensured that Council has the 'power to pay' by referencing the power being relied upon to incur expenditure on all items submitted for approval to pay.  <i>Comment: Council has noted that it is the responsibility of Councillors to satisfy themselves that they have the appropriate legal power to incur</i></p>

<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.

		<i>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.</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.
<b>Additional comments:</b>		

<b>Section 4 – Risk management</b>		
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.		
<b>Evidence</b>		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The risk assessment documentation submitted for Internal Audit provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Assessment for the year under review was adopted by full Council at its meeting of 7 <sup>th</sup> March 2022.
<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	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. As the full schedule was not available to view, it is assumed that the Fidelity Guarantee still stands at £25thousand.

		<p><b>Recommendation: if the level of Fidelity Guarantee is £25thousand, Council should note that this is insufficient 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. Council is advised to review the level at the earliest opportunity.</b></p> <p>At renewal, as approved at the meeting of 6<sup>th</sup> September 2021, Council is noted to be in a three-year long-term agreement at a discounted rate.  <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 7<sup>th</sup> March 2022.</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 7<sup>th</sup> March 2022.  <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>		

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

<sup>5</sup> Practitioners Guide

<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		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2021–2022 in the sum of £11,140 was set at the meeting of 7 <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 £12,800 was set at the same meeting, with the minutes evidencing the amount to be set and demonstrating that this would be a 3% increase over the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	<i>Partly met</i>	There appears to be limited comparisons between budgeted and actual income and expenditure submitted and considered by full Council during the year under review. <i>Comment: it is noted that the newly appointed Clerk/RFO will be ensuring that a budget variance report is submitted each month as part of the Council's monitoring procedures.</i>
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	Council's final accounts show general reserves in the sum of £19,110.43 with earmarked reserves in the sum of £9,205 which includes the restricted CIL reserve of £7,485.00 <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>
<b>Additional comments:</b> Council 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.		

<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

<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.		
<b>Evidence</b>		Internal auditor commentary
<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 £12,800.00 during the year under review. Evidence was provided showing a full audit trail from Precept being signed at the meeting of 7 <sup>th</sup> December 2020, served on the Charging Authority to receipt of same in the Council’s Bank Account.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Yes	For the year under review Council receive CIL Receipts in the sum of £7,485.00.
<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 £7,485.00.
<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>		

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

<b>Section 7 – petty cash</b>		
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 2011, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<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. At the meeting of 7 <sup>th</sup> March 2022, Council approved the implementation of the 2021-22 National Pay Award for the Clerk backdated to commencement of employment and agreed to implement the agreement under the award for payment to be made to the former Clerk backdated to 1 April 2021.
<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</i>	Yes	The payroll function is operated in accordance with HM Revenue and outsourced. There are suitable payroll arrangements in place which ensures

<i>verification process for agreeing rates of pay to be applied?</i>		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>	Unclear	It is unclear whether the Council has completed a declaration of compliance with regards to automatic enrolment duties. <i>Comment: Council should note that every three years an employer must put certain staff back into a pension scheme. This is known as 're-enrolment'. This is an employer's legal duty and Council's must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance. If the Council last carried out its re-enrolment duties in 2019, it should ensure that it is aware of its re-enrolment duties and comply with the deadlines as stated in communications from the Pension Regulator.</i>
<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></p> <p>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>
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<sup>8</sup> The Pension Regulator – [website click here](#)

Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<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 £79,043 (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 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. <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>
<i>Are records of deeds, articles, land registry title number available?</i>	Not covered	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was carried out via remote means.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register shows a value of £79,043 which reflects nil movement in the year under review. <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>
<i>Cross checking of insurance cover</i>	Not covered	As the full Insurance Schedule was not available to view, the internal auditor is unable to verify the level of insurance cover for the Council's assets.
<b>Additional comments:</b>		

<sup>9</sup> Practitioners Guide

<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.		
<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>	Yes	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>	Yes	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 £28,315.11 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.
<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>		

<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<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.

<p><i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i></p>	<p>Yes</p>	<p>As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete Part 2 of the AGAR. Section 2 - Accounting Statements of the AGAR were completed and unsigned at the time of Internal Audit.</p>
<p><i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i></p>	<p>Yes</p>	<p>As the Parish Council had gross income and expenditure not exceeding £25,000 it was able to declare itself exempt from a limited assurance review. Such a declaration was submitted to and confirmed at the meeting of 10<sup>th</sup> May 2021.</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>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.  <i>Comment: Council should note that the date of the notice, as per the detailed guidance, should be one clear day prior to the commencement of the period. The date of the notice for 2020-2021 was 14<sup>th</sup> June 2021.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i></p>	<p>No</p>	<p>The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 for the year ending 31 March 2021 and published the following on a public website: those in bold were not seen on the website                  Certificate of Exemption                  Annual Internal Audit Report                  Section 1 – Annual Governance Statement of the AGAR                  Section 2 – Annual Accounting Statements of the AGAR                  The following were not seen on the website:                  Notice of the period for the exercise of public rights  <b>Analysis of variances</b>  <b>Bank reconciliation – year end</b></p>
<p><b>Recommendation: As Council has failed to approve the AGAR in time to publish it before 1 July 2022, the date required by the Accounts and Audit Regulations 2015, it must disclose this by answering ‘No’ to Section 1, Box 1. This will also mean that the Council has failed to make proper provision during the year 2022/23 for the exercise of public rights, since the period for the exercise of public rights will</b></p>		

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

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

**not include the first 10 working days of July. As a result, the Council must answer 'No' to Assertion 4 of the Annual Governance Statement for 2021/22 and ensure that it makes proper provision for the exercise of public rights during 2022/23.**

<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.		
<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 5 <sup>th</sup> July 2021.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	<i>Partly met</i>	The following recommendations were contained within the audit ending 31 <sup>st</sup> March 2021: <ol style="list-style-type: none"> <li><b>1. Implementation of a General Reserve Policy</b></li> <li>2. Increase insurance to cover Council's assets</li> <li><b>3. Publication of information in accordance with the Accounts and Audit Regulations</b></li> </ol>
<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 31 <sup>st</sup> March 2022 at the meeting of 10 <sup>th</sup> May 2021 and reconfirmed at the meeting of 7 <sup>th</sup> February 2022.
<b>Additional comments:</b>		

<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>	<i>Not applicable</i>	For the year 2020-2021 the Council was able to declare itself exempt from a limited assurance review.
<b>Additional comments</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> <i>(Note to auditor- emergency Regulations because of the COVID-19 pandemic)</i> <sup>14</sup>	<i>No</i>	Council held its Annual Meeting of the Parish Council at which the Chair and other Officers were elected on 10 <sup>th</sup> May 2021 via remote means which was contrary to legislation in place at the time. <b>Recommendation: see comment below.</b>
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>15</sup>	<i>Partly met</i>	It is noted that the meetings held on both 10 <sup>th</sup> May and 7 <sup>th</sup> June 2021 were via remote means. <b>Recommendation: as none of the Councillors were present in person at the meeting of 10<sup>th</sup> May and 7<sup>th</sup> June 2021, Council is reminded of the provisions of the 1972 Act which requires a Councillor to vote in person and that they cannot do so by post, proxy, teleconference or skype. Legislation states that if a vote is taken it must be by a show of hands or as prescribed by standing orders. Council is recommended to review all decisions taken at these meetings and bring them back to full Council for formal ratification.</b>

<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)

<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

		<p>In accordance with the repeal of the Coronavirus Act 2020 legislation all other meetings held after 7<sup>th</sup> June 2021 were held in person.</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, post February 2022, the Chair is given formal approval to sign the minutes.</p> <p>Whilst the minutes show apologies given (where applicable), there is prior to February 2022, no formal record to show that Council has approved the apologies submitted.</p> <p><i>Comment: 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.</i></p> <p>It is noted that post February 2022, Council’s minutes are incorrectly headed up.</p> <p><i>Comment: Council might wish to review the heading given for each of its meetings and amend them to ensure that they are relevant to Tattingstone.</i></p>
<p><i>Is there a list of members’ interests held?</i></p>	<p><i>Partly met</i></p>	<p>Evidence was seen on the District Authority’s website of the Register of Interests for the current Councillors.</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>
<p><i>Does the Council have any Trustee responsibilities?</i></p>	<p><i>Not applicable</i></p>	

<p><i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i></p>	<p><i>Partly applied</i></p>	<p>Council should be aware that with gross income and expenditure under £25,000 it will be required to follow the Local Government Transparency Code 2014 for smaller authorities. Council should ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (1st July):</p> <ul style="list-style-type: none"> <li>Internal Audit Report</li> <li>List of Councillors and Responsibilities</li> <li>Items of Expenditure Above £100 including recoverable and non-recoverable VAT</li> <li>End of Year Accounts</li> <li>Annual Governance Statement</li> <li>Asset Register</li> </ul> <p>and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014</p> <p><i>Comment: Council might wish to consider working towards ensuring compliance with the requirements under the Transparency Code 2014 for the provisions that are relevant.</i></p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i></p>	<p>Yes</p>	<p>The council is correctly registered with the IO as a Data Controller in accordance with legislation. Reference: Z3053369 Expiry 13 February 2023. 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>
<p><i>Is the Council compliant with the General Data Protection Regulation (GDPR) requirements?</i></p>	<p>Yes</p>	<p>Council has taken steps to ensure compliancy with the regulations as written and has adopted a Data Protection Policy which 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.</p> <p><b>Recommendation: Council is also advised to adopt a Data Retention Policy which will detail the periods for which documentation will be</b></p>

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

		<b>held along with the methods of disposal.</b> Templates are available from SALC.
<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 onedrive cloud" 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.
<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>		

Signed: *Victoria S Waples*

Date of Internal Audit Visit: 19.06.22 & 10.07.22 & 14.07.22

Date of Internal Audit Report: 14.07.22

On behalf of Suffolk Association of Local Councils

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

<sup>18</sup> Practitioners Guide