

## Internal Audit Report for Hargrave Parish Council for the period ending 31 March 2024

Clerk	Nicola Calder
RFO (if different)	-
Chairperson	Councillor Colin Painter
Precept	£ 5,200.00
Income	£ 8,556.90
Expenditure	£ 9,670.34
General reserves	£ 352.92
Earmarked reserves	£ 9,000.00
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 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

<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 a spreadsheet to produce reports on a receipts and payments basis and is maintained in accordance with recommended practices.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i>	Yes	Council’s gross income and expenditure level is below the threshold of £200,000 and has been for three (3) continuous years. Council’s operating under this limit may choose either to report on an income and expenditure basis or on a receipts and payments (R&P) basis. Council has elected to report its financial matters on a receipts and payments basis.
<i>Is the cash book up to date and regularly verified?</i>	Yes	The cashbook is reconciled on a regular basis. Council follows proper practices in ensuring that there are clear financial management reports submitted to the council on a regular basis.
<i>Is the arithmetic correct?</i>	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order.
<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 Standing Orders, as reviewed and adopted at the meeting of 1 <sup>st</sup> November 2023, are based on the latest model published by the National Association of Local Councils (2018) and contain the provisions of the Model Councillor Code of Conduct as adopted by the Council. Whilst they are in the main compliant with legislation and have been adapted (where they are not

		<p>statutory requirements) to ensure that they are relevant to the Parish Council, they do not contain up to date financial thresholds.</p> <p><b>Recommendation: council is advised to review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21<sup>st</sup> December 2022 (see below) and ensure that the updated figures are incorporated into Standing Order 18av and 18c.</b></p>
Are Financial Regulations up to date and reviewed annually?	Yes	<p>Financial Regulations (FR), as seen on the Council's website were also reviewed at the meeting in October 2023 and are based on the NALC Model Financial Regulations 2019. Council has not updated the FRs with the amended values for contracts as outlined under LTN 87 - Procurement – March 2022.</p> <p><b>Recommendation: SALC have advised (07.05.24) that the revised model Financial Regulations have now been published by NALC for use by councils and include the amended thresholds for procurement. It is these FRs which should be adopted by council at the earliest opportunity.</b></p>
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>		

**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.

<sup>1</sup> 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		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against cheque numbers, cash book, bank statement and invoices and all were found to be recorded/authorised in accordance with Proper Practices. Council continues with the good practice of receiving and annually approving the list of payments which arise on a regular basis as the result of a continuing contract, statutory duty or obligation and regular maintenance contracts. <i>Comment: in accordance with council's FRs such payment are reported at each meeting for retrospective approval.</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 council's internal control statement details the procedure to be followed for the making of such payments in accordance with council's own Financial Regulations and evidence is retained of the dual authorization process used for the release of payments made via direct transfer.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book. The year-end balance stood at £858.79 which was included within a VAT claim for the period 1 <sup>st</sup> February 2023 to 29 <sup>th</sup> February 2024 in the sum of £2,107.99. This reclaim was settled on 18 <sup>th</sup> March 2024 and as at year-end the VAT recoverable by the parish council stands at £nil.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	No	The council has not confirmed that it is eligible to exercise the GPOC.
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	There were no payments identified as being made under this power for the year under review.

<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 £9.93 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

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.
<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 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 Register for the year under review was considered and adopted by the council at its meeting of 9 <sup>th</sup> May 2023 for the year ending 31 <sup>st</sup> March 2024.
<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, operations and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Yes	Council has insurance in place under a Local Councils Policy with Clear Councils as underwritten by Aviva Insurance which shows core cover for the following: Public/Products Liability: £10million; Employer's Liability £10million and Fidelity Guarantee of £50thousand. <i>Comment: Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May.</i>  There is no minute reference to demonstrate that Council, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances

		<p>are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, undertook an annual review of the Council's insurance prior to renewal. The minutes of the meeting of 6<sup>th</sup> September 2023 merely indicate that council approved the payment to renew the insurance.</p> <p><i>Comment: Council should seek to provide evidence 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). A minute reference would provide evidence that council has reviewed the levels of insurance for land, public and employees liability against quotations received and the cover being proposed and agreed to renew with the current insurers.</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p>Yes</p>	<p>At the meeting of 9<sup>th</sup> May 2023, Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances. Such evidence is contained within the Internal Control Statement as adopted by the parish council.</p> <p><i>Comment: Council shows good practice of appointing a councillor(s) to review the system of internal control via specific tests and as such has demonstrated that it has understood the requirements to have in place safe and efficient arrangements to safeguard public money.</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>The minutes of 11<sup>th</sup> July 2023 demonstrate that the council formally reviewed the scope and effectiveness of its internal audit arrangements and concluded that the standards were being met and that the work of internal audit was effective. It is also noted that this is evidenced in the Internal Control Statement adopted by the council.</p> <p><i>Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, it must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal</i></p>

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

<sup>5</sup> Practitioners Guide

		<i>audit is to evaluate and report on the adequacy of the system of internal control.</i>
<b>Additional comments:</b>		

<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	<p>The budget for the year 2023-2024 was approved at the Council meeting of 12<sup>th</sup> January however there is no reference to the amount set within the minutes. From paperwork seen on the website, and as submitted as an associated paper to the meeting, a revenue budget was set in the sum of £5,495.</p> <p>The budget for the year 2024-2025 was approved at the council meeting of 10<sup>th</sup> January 2024 and set at £6,180 as per paperwork seen on the website.  <i>Comment: council is advised to ensure transparency in the budgetary process followed by the council by recording within the minutes the actual budget being set alongside the reasoning for such a budget.</i></p>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	<p>The precept for the year 2023 – 2024 was set at £5,200 at the meeting of 12<sup>th</sup> January 2023 with the details demonstrating that this was an increase of £0.76 or 1.77% on that set for the previous year.</p> <p>The precept for the year 2024 – 2025 was discussed and approved at the meeting of 10<sup>th</sup> January 2024 and set at £6,100. There is no indication as to the impact that this would have on a Band D Dwelling.</p>
<i>Regular reporting of expenditure and variances from budget</i>	Yes	<p>Council continues with the practice of a written report being submitted on a quarterly basis showing current bank balances along with aggregate receipts and payments and variance against budget.  <i>Comment: Council, in accordance with its own standing order 17c, produces regular statements showing evidence of comparisons between budgeted and</i></p>



		<i>actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i>
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	<p>The Council, as at year-end, had general reserves totalling £352.92 and earmarked reserves of £9,000.00</p> <p><i>Comment: council is advised to note guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure. There is no upper limit for earmarked reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> <p><i>Whilst council's general reserves are on the low side, it is noted that within the earmarked reserves is a sum entitled precept reserve which stands at £5,000. It is assumed that it would be this reserve upon which council would call should there be times of extreme pressure on the council's revenue finances.</i></p>
<b>Additional comments:</b>		

<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>		<b>Internal auditor commentary</b>
<i>Is income properly recorded and promptly banked?</i>	Yes	Income is recorded in accordance with Council's Financial Regulations. A sample of receipts was checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices. The RFO has ensured that the accounting records contain all day-to-day entries of all sums of money received.
<i>Is income reported to full council?</i>	Yes	Income received is reported to full Council within the financial reports submitted to full Council.

<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>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £5,200 from West Suffolk Council for the period under review as reported to full council within its Financial Reports. 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 along with further information detailing the increase in that which was set.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	N/A	Council did not receive any CIL receipts during the year under review and has no retained CIL balances.
<i>Is CIL income reported to the council?</i>	N/A	
<i>Does unspent CIL income form part of earmarked reserves?</i>	N/A	
<i>Has an annual report been produced?</i>	N/A	
<i>Has it been published on the authority's website?</i>	N/A	
<b>Additional comments:</b>		

<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>	N/A	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	
<b>Additional comments:</b>		

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

<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. 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 2024. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed that all staff have a Contract of Employment in place.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made via internet banking in accordance with council's own Financial Regulations. Amendments to salary points are all approved by full council. <i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>Minimum wage paid?</i>	No	No employee is paid the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council?</i>	Yes	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on a sample of payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	Council is aware of its pension responsibilities, but no member of staff was enrolled into a pension provided by the council.
<i>Have pension re-declaration duties been carried out</i>	Yes	From evidence submitted it is confirmed that the council had completed its re-declaration of compliance with The Pensions Regulator in August 2022.

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

<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 expenses claimed are approved by full council with supporting paperwork in place and reimbursed in accordance with Council's Financial Regulations.
<b>Additional comments:</b>		

<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.		
<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, as viewed on the Council's website, 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 at year-end (31.03.2024) is £54,037, which reflects no movement in the asset register since that declared at 31 <sup>st</sup> March 2023.
<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 2023 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>	Yes	Records of deeds, articles, land registry title number were not reviewed during the internal audit which was conducted via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council does not have any assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The values submitted on the Annual Governance and Accountability Return for Internal Audit show an asset value of £54,037 which matches that

<sup>9</sup> Practitioners Guide

		declared at Box 9 on the AGAR for approval by the council and that approved at the meeting of 13 <sup>th</sup> March 2024. <i>Comment: Council has ensured that the values stated above mirrors the declared value on the unaudited accounts for the year ending 31<sup>st</sup> March 2024.</i>
<i>Cross checking of insurance cover</i>		Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
<b>Additional comments:</b>		

<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>		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. Evidence was seen of the year end account balance which reconciled to the year-end accounts.
<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 2024) the balance across the council's account stood at £9,352.92 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. The minutes of council meetings, demonstrate that a review of the bank reconciliation versus the bank statements has been undertaken. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.
<b>Additional comments:</b>		

**Section 11 – year end procedures**

Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and expenditure/ basis, and all were found to be in order.
<i>Financial trail from records to presented accounts</i>	Yes	The end of year accounts were presented for the internal auditor review and there is a clear financial trail from records to presented accounts. Year-end balances agree with cash book and bank reconciliations.
<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 not exceeding £25,000 it has completed the Annual Governance and Accountability Return (AGAR) Form 2 which were presented to and signed off by council at its meeting of 9 <sup>th</sup> May 2024. <b>Recommendation: since the signing of the AGAR, council has changed its website address to <a href="http://www.hargraveuffolk-pc.gov.uk">www.hargraveuffolk-pc.gov.uk</a>. Council is advised to ensure that all relevant bodies are made aware of this change, within a timely manner, thereby ensuring that there is transparency in the annual audit process.</b>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Yes	The Parish Council did not have gross income and expenditure exceeding £25,000 during 2022-2023 and was able to declare itself exempt from a limited assurance review for the year ending 31 <sup>st</sup> March 2023. The minutes of 9 <sup>th</sup> May 2023 demonstrate that an exemption was to be claimed. <i>Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.</i>
<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	Council has demonstrated that during the year under review, it ensured that the period for the exercise of elector's rights during Summer 2023 was in accordance with the period specified within the Accounts and Audit Regulations 2015. The dates set were 5 <sup>th</sup> June to 14 <sup>th</sup> July 2023 as evidence from the documentation uploaded to the website and in the minutes of 9 <sup>th</sup> May 2023. <i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required</i>

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

		<p><i>“Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i></p> <p><b>Recommendation: as council has changed its website address within the period of the exercise of public rights for the year ending 31<sup>st</sup> March 2024, consideration will need to be given to the council’s response to Assertion 4 for the year ending 31<sup>st</sup> March 2025.</b></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i></p>	<p>Yes</p>	<p>The Council has 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<sup>st</sup> March 2023 and published the following on a public website:</p> <ul style="list-style-type: none"> <li>Certificate of Exemption</li> <li>Annual Internal Audit Report</li> <li>Section 1 – Annual Governance Statement of the AGAR</li> <li>Section 2 – Annual Accounting Statements of the AGAR</li> <li>Notice of the period for the exercise of public rights</li> <li>Analysis of variances</li> <li>Bank reconciliation – year-end</li> </ul>
<p><b><i>Additional comments:</i></b></p>		

<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>		
<p><b>Evidence</b></p>		<p><i>Internal auditor commentary</i></p>
<p><i>Has the Council considered the previous internal audit report?</i></p>	<p>Yes</p>	<p>The Internal Audit Report for the period ending 31<sup>st</sup> March 2023 was formally considered by and approved for adoption at the meeting of 13<sup>th</sup> July 2023.</p>

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

<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The following recommendation contained with the report requiring submission of a separate audit plan were as follows: 1. Publication of a Website Accessibility Statement. <b>Council has still to address this point.</b>
<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of the person to act as the parish council's independent internal auditor for the year 2023-2024 was approved at the council meeting of 13 <sup>th</sup> March 2024. <i>Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i>
<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?<sup>12</sup></i>	N/A	The Parish Council did not have gross income and expenditure exceeding £25,000 and was able to declare itself exempt from a limited assurance review for the year 2022-2023.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	
<b>Additional comments:</b>		

**Section 14 – additional information**

<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.*



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 was elected on 9 <sup>h</sup> May 2023 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>	Yes	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting. At each meeting, the Chair is given formal approval to sign the minutes.
<i>Is there a list of members' interests held?</i>	<i>Incomplete</i>	Whilst the Register of Interests for seven of the eight serving councillors was seen on the website of West Suffolk, there is no link from the council's website to that of West Suffolk District Council's for access to the Register of Interests.  <b>Recommendation: council might wish to liaise with West Suffolk Council to ensure that the register of interests for all serving councillors is uploaded to the website with the removal of non-councillors details in a timely manner.</b>
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	Council does not have any trustee responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	Council is aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities. The following items were seen published on the council's public website in accordance with the dates prescribed by the relevant regulations for the year 2022-2023: Internal Audit Report ; List of Councillors and Responsibilities; Items of Expenditure Above £100 including recoverable and non- recoverable VAT; End of Year Accounts; Annual Governance Statement; Asset Register and that Agendas of Meetings; Associated Papers and Minutes should be published in

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

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

		<p>accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014</p> <p><i>Comment: council should ensure that all of the documentation for the year ending 31<sup>st</sup> March 2024 is uploaded onto the website within the timescales set by legislation.</i></p>
<p><i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>15</sup></i></p>	Yes	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.</p>
<p><i>Is the Council compliant with the General Data Protection Regulation requirements?</i></p>	Yes	<p>Council has taken active steps to ensure compliancy with the GDPR requirements and has GDPR policies that provide clear responsibilities and obligations of the Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. Council has ensured that there is a Privacy Statement on the website which 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. Council has ensured that its document and data retention policy has shown compliance with the General Data Protection Regulations by ensuring that personal information is not retained longer than necessary.</p> <p><i>Comment: at the meeting of 1<sup>st</sup> November 2023, council approved the review and adoption of a suite of policies as seen on its website with a review date set for November 2024.</i></p> <p><b>Recommendation: see above for recommendations as to the review of council's Standing Orders and Financial Regulations.</b></p>
<p><i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i></p>	No	<p>Council does not have a website accessibility statement on the council operated website detailing the technical information of the website along with the methods used for evaluating the website; the steps being taken to improve accessibility and how the site can be approved in accordance with the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</p>

<sup>15</sup> Data Protection Act 2018

<sup>16</sup> Website Accessibility Regulations 2018

		<b>Recommendation: the regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities. Council should review the provisions of the Regulations to ensure that it is compliant and should produce an Accessibility Statement detailing how information will be produced on its website and how to gain access to content that is not readily accessible.</b>
<i>Does the council have official email addresses for correspondence?<sup>17</sup></i>	Yes	Council uses a Gmail email address for official business for the council which is not linked to a private account however it does have use of the domain name hargravesuffolk-pc.gov.uk <i>Comment: Council should consider the comments raised in the Practitioners Guide to Proper Practices (effective March 2024) section 1.26 which states that every authority should have an email account that belongs to the council and to which the council has access.</i> Further guidance issued over the use of a secure e-mail system with a gov.uk address with dedicated email address for councillors can be found at sections 5.210 to 5.219.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Council's risk register demonstrates the back-up procedures in place.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate with a committee system.

Signed: *Victoria S Waples*

Date of Internal Audit Review: 18.06.2024 & 20.06.2024

Date of Internal Audit Report: 20.06.2024

On behalf of Suffolk Association of Local Councils

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<sup>17</sup> Practitioners Guide