

Internal Audit Report for Trimley St Martin Parish Council

for the period ending 31 March 2024

Clerk	Carly Small
RFO (if different)	-
Chairperson	Councillor Yvonne Smart
Precept	£24,990.00
Income	£66,306.24
Expenditure	£36,973.47
General reserves	£ 6,022.89
Earmarked reserves	£144,332.64 which includes the restricted CIL reserve of £94,332.64
Audit type	Annual
Auditor name	Victoria Waples

Introduction

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

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

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

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2022/23 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – proper bookkeeping

The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.

Evidence		Internal auditor commentary
<i>Is the ledger maintained and up to date?</i>	Yes	The council uses the Scribe Accounting Package to record its transactions from which reports are produced on a receipts and payments basis.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i> (under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)	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 monthly basis. Council follows Proper Practices in ensuring that its accounting procedure gives an accurate presentation of an authority's true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance and the Responsible Financial Officer (RFO) has ensured 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.
Additional comments: <i>the cashbook and minutes should make reference to the powers used to incur expenditure and council should note that statutory powers, granted by Parliament give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law.</i>		

Section 2 – Financial Regulation and Standing Orders

The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.

Evidence		Internal auditor commentary
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Have Standing Orders been adopted, up to date and reviewed annually?	Yes	<p>The Standing Orders, as seen on the Parish Council's website, were reviewed at the meeting of 4th July 2023. Council's Orders, are based on the latest model published by the National Association of Local Councils (2018). The Standing Orders are compliant with legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council.</p> <p><i>Comment: whilst council is aware of the requirement to ensure that the SOs are fully tailored to the council and that in accordance with proper practices they need to be regularly reviewed, fit for purpose and adhered to, at the next annual review, council should ensure that Standing Order 18av and 18c are amended to reflect the changes to procurement thresholds as identified below.</i></p>
Are Financial Regulations up to date and reviewed annually?	Yes	<p>Financial Regulations (FR), as seen on the Council's website were reviewed at the meeting in July 2023 and are based on the NALC Model Financial Regulations 2019 with provisions included as outlined under LTN 87 - Procurement – March 2022.</p> <p><i>Comment: at the next annual review, Council might wish to also review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 and make the changes to the contract value limits from £25,000 to £30,000 for non-central government authorities. The contract value limits are to be calculated inclusive of VAT (effective from 1st January 2022).</i></p> <p>SALC have advised (07.05.24) that the revised model Financial Regulations are due to be officially published this week by NALC for use by councils.</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)? ¹	Yes	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority. Council's Financial Regulation 1.8 confirms that the Clerk is so appointed.
Additional comments:		

¹ Section 151 Local Government Act 1972 (d)

Section 3 – Payment controls

The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	A selection of random payments were cross checked against minute references, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. A further spot check of items paid via the system from the council's accounts was also cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.
Where applicable, are internet banking transactions properly recorded and approved?	Yes	Internet banking is operated in accordance with the council's own Financial Regulations and is used for the settlement of the council's expenditure. It was confirmed that the council has a complex mandate with two to sign in place for the authorisation of payments made via direct transfer.
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book with overall for the year totalling £1,793.31. A reclaim for the period 1 st April to 31 st October 2023 in the sum of £818.59 was settled in November 2023 whilst a claim for the period 1 st November 2023 to 31 st March 2024 was submitted after the year had ended. The VAT claim for the previous year in the sum of £1,153.46 was settled in May 2023.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A	The council has not confirmed eligibility criteria to enable it to exercise the GPOC.

² Localism Act

Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	Payments made under this power for the year under review totalled £750 and were within statutory limits and deemed to be of benefit to those living in the area.
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.
<p>Additional comments: at the meeting of 7th June 2023, agreement was forthcoming to pay the Chair's Allowance of £350.00. Council should be aware that section 15(5) of the LGA 1972 provides that Parish (and Town) Councils may "for the purpose of enabling them to meet the expenses of their office approve such allowance as the council think reasonable".</p> <p>It should be noted that the Local Authorities (Members Allowances) (England) Regulations 2003 covers the provisions of a parish basic allowance that is paid to its chair only or to each of its members as per the level or levels of allowances set by the parish remuneration panel in accordance with regulation 28.</p>		

Section 4 – Risk management		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	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 in March 2024.
Is there evidence that risks are being identified and managed?	Yes	Council is aware that risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.

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

<p><i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i></p>	<p>Yes</p>	<p>Council has insurance in place under a and Community Scheme policy with Hiscox insurance. Core cover for the council's insurance policy is shown as: Public liability: £10million; Public/Products Liability: £10million and Officials and Trustees Indemnity of £500thousand.</p> <p><i>Comment: Council has followed recommended guidance by ensuring that its Indemnity 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 and/or during the year upon receipt of grants.</i></p> <p>During the year under review, council is able to demonstrate, evidence from a review of the minutes, that it is aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance and that annual reviews of the Council's insurance were undertaken prior to renewal.</p> <p><i>Comment: Council has ensured that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁴</i></p>	<p>Yes</p>	<p>Council's internal control document was adopted at the meeting of 5th March 2024 and covers the year April 2023 to March 2024. As such, it is evidenced from the document seen, that the 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.</p>
<p><i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i></p>	<p>Yes</p>	<p>At the same meeting the council formally reviewed the scope and effectiveness of its internal audit arrangements.</p> <p><i>Comment: Council, in accordance with the Accounts and Audit Regulation 2015, reviewed the terms of reference and effectiveness of internal audit and demonstrated that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.</i></p>

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Additional comments:

Section 5 – Budgetary controls

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

Evidence		Internal auditor commentary
Verify that budget has been properly prepared and agreed	Yes	The budget for the year 2023-2024 was set at the meeting of 6 th December 2022 in the sum of £34,465 to be funded from the precept and reserves. The budget for the year 2024-2025 was set at the meeting of 5 th December 2023 with the minutes demonstrating that this would be £35,515 to be funded by the precept and reserves. budget was discussed at the meetings of 25 th January and 21 st March 2024. <i>Comment: council has followed best practice by ensuring that the minutes reflect the actual budget being set alongside the reasoning for such a budget thereby demonstrating transparency in the budgetary process followed by the council.</i>
Verify that the precept amount has been agreed in full Council and clearly minuted	Yes	The precept for the year 2023 – 2024 was set at £24,990 at the meeting of 16 th December 2022 with the minutes reflecting that council chose not to increase the tax charge from the 2022/2023 which was £32.57 for a Band D property. The precept for the year 2024 – 2025 was discussed at the meeting of 5 th December 2023 and set at £28,724 which was an overall increase of 6.14% and would result in a tax change of £34.56 per Band D equivalent property. <i>Comment: council has followed best practice by recording the detail of the precept being set and the impact that this would have on a Band D Council Tax dwelling taking into account the annual variances in the tax base for the parish.</i>
Regular reporting of expenditure and variances from budget	Yes	The minutes evidence that council conducted reviews covering the budget for the current year with a review of income and expenditure against budget at each meeting. A monitoring statement was produced on a quarterly basis

		<p>which included a breakdown of all receipts and payments balance against the bank.</p> <p><i>Comment: Council in accordance with its own standing order 17c produces regular statements showing evidence of comparisons between budgeted and actual income and expenditure to form the basis of approval for virements in accordance with Council's own Standing Orders.</i></p>
<i>Reserves held – general and earmarked⁶</i>	Yes	<p>The Council, as at year-end, had General Reserves of £6,022.89 and Earmarked Reserves totalling £144,332.64. Of the earmarked reserves there is a restricted reserve of £94,332.64 (CIL)</p> <p><i>Comment: Council should 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 and should ensure that the level of general reserves held is in accordance with an adopted General Reserve Policy. 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). Council's general reserve is roughly in line with its general reserves policy requirement of one year of net revenue expenditure.</i></p>
Additional comments:		

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

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

		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 in accordance with council's financial regulations.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £24,990 from East Suffolk Council for the period under review as reported to full Council within its Financial Reports at its meetings in April and September 2023. Evidence was provided showing the remittance advice detailing the breakdown of the monies received.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	During the year under review, council received CIL receipts totalling £32,894.30. The RFO has created an Earmarked Reserve for retained CIL balances. <i>Comment: from a review of the earmarked reserves held by the council, it would appear that the CIL earmarked reserves stands at £63,354.10 which fails to take into account movement during the year.</i>
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported to council within the financial reports submitted.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL workings for 2023/2024 shows that there is a retained balance of £94,332.64 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement has been produced but is in draft form awaiting approval and signature.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement for the year has still to be uploaded onto the council's website. <i>Comment: council should be aware that the Regulations provided clarity on the timing of the reports, and by which date they should be brought into the public domain.</i>
Additional comments:		
Section 7 – petty cash The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		

⁷ Community Infrastructure Levy Regulations 2010

Evidence		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	Council does not operate a petty cash system but there is a satisfactory expense system in place and all expenses claimed are approved by full council with supporting paperwork in place.
Additional comments:		

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 1 employee on its payroll at the period end of 31 st 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, working hours, budgets and support for training 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? Does this include a verification process for agreeing rates of pay to be applied?</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 all were found to be in order. Deductions due to be paid to HM Revenue and Customs during the year under review were made within the requisite time periods.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities but there are no staff enrolled into a council approved pension provider.
<i>Have pension re-declaration duties been carried out</i>	Yes	From paperwork seen, the council completed its re-declaration of compliance with The Pensions Regulator on 16 th May 2023.
<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.
Additional comments:		

Section 9 – Asset control The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as submitted for internal audit review, 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 £16,947.67 which reflects additions during the year under review.
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	The asset register allows the tracking of additions and disposals from the prior year to the current with insurance values given where known.

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

⁹ Practitioners Guide

<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 carried out via remote means.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council has no assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	<p>The asset register is still to be signed off by the council. The values seen on the Asset Register - £16948 (rounded) do not reflect that which is detailed at Line 9 on the Draft Accounting Statements of the AGAR. This figure is stated at £14,957 which is the insurance figure.</p> <p>Recommendation: council is advised that, within the Governance and Accountability for Smaller Authorities in England March 2023, it is stated that the valuation of its assets should be the acquisition value of the asset at the time of first recording and that such a method of valuation should be consistently applied.</p> <p>It council wishes to change the valuation of its asset register and use the insurance value (as in the case for 2023-2024) then the prior year should be restated to show consistency and a note submitted to the auditor explaining the variance.</p>
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule.
Additional comments:		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<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.
<i>Do bank balances agree with bank statements?</i>	Yes	Bank balances agree with year end and period end statements and, as at year end (31 st March 2024) the balance across the councils accounts stood

		at £150,355.53 as recorded in the Statement of Accounts and on the 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.
Additional comments:		

Section 11 – year end procedures		
Evidence		Internal auditor commentary
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on a receipts and payments basis, and all 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 whilst there is a clear financial trail from records to presented account, the Accounting Statements will need to be revisited to ensure that they cast correctly.
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. Note: The Accounting Statements have been produced in DRAFT form and will be submitted to council for approval at a later meeting. These will need to be revisited prior to submission as Box 7 does not equal the total balances and reserves held at the end of the year and Box 8 does not reflect the sum of all current and deposit bank accounts.
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the council had gross income and expenditure exceeding £25,000 during 2022-2023 it was not able to declare itself exempt from a limited assurance review for the year ending 31 st March 2023.

¹⁰ Annual Governance & Accountability Return (AGAR)

<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 dates set for the period for the exercise of elector's rights during Summer 2023 were 12th June to 21st July which are in accordance with the dates specified within the Accounts and Audit Regulations 2015 and include the first 14 days of July.</p> <p><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 "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>Whilst council complied with the period of public rights, it has uploaded the wrong form to the website and should note that the form uploaded is only for use by smaller authorities subject to a review and should only be submitted to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation. This form is not for publication onto the website.</p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>No</p>	<p>The Council has not fully complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 for the year ending 31st March 2023 and published the following on a public website: those in bold are missing from the website</p> <p>Notice of the period for the exercise of public rights Annual Internal Audit Report Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR Notice of conclusion of audit</p> <p>Section 3 – External Auditor's Report and Certificate of the AGAR Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review.</p>
<p>Additional comments:</p>		

¹¹ Accounts and Audit Regulations 2015

Section 12 – internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	Yes	The Internal Audit Report for the period ending 31 st March 2023 was formally considered by and approved for adoption at the meeting of full Council of 6 th June 2023.
Has appropriate action been taken regarding the recommendations raised?	Yes	<p>Council has taken action to address the recommendation raised within the internal audit report for the year ending 31st March 2023 which was as follows:</p> <ol style="list-style-type: none"> 1. Regular review of budget to actual spending patterns including comparison and the documentation of such reports. <p><i>Comment: in accordance with guidance, an action plan should be produced setting out the areas of improvement or development as identified within the narrative internal audit report. Any proposed remedial actions should be identified within the plan along with the members or officers responsible for delivering improvement and the deadlines for the completion of the action. Council is advised to ensure that, having received a narrative internal audit report, it should minute its review of the work conducted and agree actions planned from the outcomes identified.</i></p>
Has the Council confirmed the appointment of an internal auditor?	Yes	<p>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 6th February 2024.</p> <p><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></p>
Additional comments:		

Section 13 – external audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?</i> ¹²	Yes	Council considered the report from the External Auditor for the year ending 31 st March 2023 at its meeting of 5 th September 2023.
<i>Has appropriate action been taken regarding the comments raised?</i>	Yes	The following matters were brought to the attention of the council: Section 1, Assertion 1 has been incorrectly completed. Information received from the internal auditor indicates that the smaller authority did not monitor expenditure against budget during the year. As a result, the answer to this assertion should have been 'No'. This is consistent with the Internal Auditor's response to Internal Control Objective D.
Additional comments:		

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 16 th May 2023 in accordance with legislation in place at that time.

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

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

<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	Yes	<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: Council should also be aware that para 41(2) of the above-mentioned act states that looseleaf minutes are lawful provided that the pages are consecutively numbered and initialled by the person signing the minutes at the time of signature.</i></p> <p>Whilst the minutes show apologies noted (where applicable), it is not always apparent as to whether the Council formally recorded that it has approved the apologies submitted.</p> <p>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.</p> <p>NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.</p>
<i>Is there a list of members’ interests held?</i>	Yes	Evidence was seen on the district council’s website of the Register of Interests for all current parish councillors.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	Yes	The Parish Council is the Corporate Trustee for the Memorial Hall. The Memorial Hall Trust is set up as a separate entity with its own Standing Orders, Financial Regulations and operates a separate bank account. The responsibilities of the Parish Council are set out in the lease and relate to the basic operation of the Memorial Hall.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	In progress	Council should be aware that councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities. For those authorities that fall between

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

		the Transparency Code 2014 and the Transparency Code 2015 (gross income and expenditure exceeding £200,000), councils should strive to follow the provisions of the 2015 code.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	Yes	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. 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. The Council's publication scheme could not be seen on the website. <i>Comment: Council is advised to review the provision of the 2000 Act and ensure that it publishes the information as specified.</i>
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has adopted a number of GDPR Policies during the year that provides 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. <i>Comment: The privacy statement on the council's website covers the framework that the public can expect for dealing with requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	Council has published a website accessibility statement 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?¹⁷</i>	Yes	Council operates with a @trimley-st-martin.org.uk email address for the Clerk.

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

		<i>Comment: Council might wish to consider comments raised in the Practitioners Guide to Proper Practices (effective March 2024) sections 5.210 to 5.219 on the importance of using .gov.uk domains for websites and emails. Council in particular should ensure that there is a separation of private and office business.</i>
<i>Is there evidence that electronic files are backed up?</i>	Yes	A back-up of the council's data is taken and stored appropriately.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Terms of Reference exist for council's standing committees with evidence that they were formally reviewed and adopted at the annual council meeting of 16 th May 2023.
<i>Additional comments:</i>		

Signed: *Victoria S Waples*

Date of Internal Audit Review: 05.05.24, 07.05.24
On behalf of Suffolk Association of Local Councils

Date of Internal Audit Report: 09.05.2024