

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

Clerk	J Spacey
RFO (if different)	Councillor Paul Baker
Chairperson	Councillor
Precept	£ 7,715.00
Income	£10,035.29 Internal auditor's figures
Expenditure	£ 9,180.22 Internal auditor's figures
General reserves	£ 7,293.81
Earmarked reserves	£ 3,062.39
Audit type	Annual
Auditor name	Victoria Waples
Whilst the internal audit review for the year ending 31 st March 2023 highlighted that council had experienced a difficult year with the lack of staff, having received an internal audit report that identifies significant weaknesses, council should still have taken steps to address the areas highlighted. As a significant number of the weaknesses are ongoing, council is advised to use the coming year to seek to address those areas so identified.	

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
Is the ledger maintained and up to date?	Yes	The council uses a spreadsheet to produce reports on a receipts and payments basis. It should be expanded to ensure that it is maintained in accordance with recommended practices.
Is the ledger on the correct basis in relation to the gross income/expenditure?	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.
Is the cash book up to date and regularly verified?	Yes	The cashbook is up to date and has been reconciled with the bank statements.
Is the arithmetic correct?	Yes	A number of spot checks were conducted, and the functionality of the cashbook was found to be in order.
Additional comments: council might wish to ensure that the cashbook and/or minutes make reference to the powers used to incur expenditure. Statutory powers are granted by Parliament and 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.		

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
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Standing Orders, as reviewed and adopted at the meeting of 15 th May 2023, are based on the latest model published by the National Association of Local Councils (2018). Whilst they are in the main compliant with

		legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council, they do not contain up to date financial thresholds. <i>Comment: council is advised to review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 (see below) and ensure that the updated figures are incorporated into Standing Order 18av and 18c.</i>
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), as submitted for internal audit review and as reviewed at the above-mentioned meeting are based on those produced by NALC in 2019. <i>Comment: 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.</i>
Has the Council properly tailored the Financial Regulations?	No	The adopted Financial Regulations have not been tailored to the Parish Council as they contain generic provisions that should be completed and adopted to the needs of the 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 to be responsible for the administration of the financial affairs of the relevant authority. This role is currently being filled by Councillor Baker.
Additional comments:		

Section 3 – Payment controls

The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. 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.

¹ Section 151 Local Government Act 1972 (d)

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	<i>Work required</i>	A selection of random payments were cross checked against cheque numbers, cash book, bank statement and invoices and all were found to be recorded in the cashbook. However a review of the minutes does not record the formal approval of such expenditure nor is there any reporting of payments made away from meetings and brought back to the meeting as retrospective payments. Recommendation: council must ensure that there is a clear audit trail for each payment which must include the approval to incur such expenditure. Council is advised to ensure that a list of all payments to be made and approved at parish council meetings is either included within the body of the minutes of that meeting or appended to the minutes.
Where applicable, are internet banking transactions properly recorded and approved?	<i>Unable to confirm</i>	Internet banking is operated in accordance with the council's financial regulations. Within previous audits, the internal auditor has been able to verify, from the risk documentation received, that council has in place mitigation measures to be taken with regards to internet banking. <i>Comment: council is advised to ensure that the procedure to be followed for the making of such payments contains evidence of the dual authorization process used for the release of payments made via direct transfer and the mitigation measures in place for payments made by direct transfer including but not limited to the system of internal control and the personnel involved with the internal control regime.</i>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is not identified in the cash book and as such the year-end position cannot be verified. A claim was made during the year in the sum of £289.90 to cover an invoice for monies paid from the 100+ account. <i>Comment: the RFO is advised to expand the cash book to include columns for recoverable VAT to allow for the ease of calculating for the year and ensure VAT is reclaimed in accordance within the statutory timescales and guidance as operated by HM Revenue and Customs.</i>

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	No	The council has not confirmed that it is eligible to exercise the GPOC.
Are payments under s.137 ³ 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.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no such loans.
Additional comments:		

Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	Work required	The risk assessment documentation as reviewed provides details of the risks associated with the functioning of the village hall. The Village Hall Risk Assessment was carried out on 13th March 2023 with regular updates provided to the parish council. However, no documentation was submitted to demonstrate that the council has carried out a risk assessment on the functioning of the parish council and the measures that the Council will undertake to mitigate such risks. Recommendation: council should be aware that to respond in the affirmative to Assertion 1 of the Annual Governance Statements it needs to provide evidence that the parish council has taken action to identify and assess those risks and has considered what actions or

² Localism Act

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.

		decisions it needs to take during the year to manage in order to avoid financial or reputational consequences.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Overall, council is aware that risk assessment needs to focus on the safety of the parish council's assets.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	Yes	Council has insurance in place under a Charity and Community (Essentials) Policy with Clear Councils as underwritten by Ansvar Insurance which shows core cover for the following: Public/Products Liability: £10million; Employer's Liability £10million and Fidelity Guarantee of £100thousand. <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> The minutes of 15th May 2023 and 11th September 2023 demonstrate that Council, being aware that it is the responsibility of the Council as a whole to satisfy itself that insurances are adequate and that all steps have been taken to mitigate and manage identified risks with appropriate insurance, undertook an annual review of the Council's insurance prior to renewal. The minutes of the meeting of 11th September 2023 indicate that council approved the payment to renew the insurance. <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>
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	Yes	The minutes of 15 th May 2023 provide evidence that council reviewed its Internal Control Statement. Although this has not been produced for internal audit review, on the face of it Council, in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, has 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.

⁴ Accounts and Audit Regulations

		Recommendation: the internal control statement as adopted should be uploaded to the website to enable council to actively demonstrate that it has undertaken such a review and is able to answer in the affirmative to Assertion 2 of the Annual Governance Statement.
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i>	Yes	The minutes of 15 th May 2023 demonstrate that the council formally reviewed the scope and effectiveness of its internal audit arrangements within the internal control statement. <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 audit is to evaluate and report on the adequacy of the system of internal control.</i>
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
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget for the year 2023-2024 was discussed at the council meeting of 12 th December 2022 however there is no reference to the amount set within the minutes. The budget for the year 2024-2025 was approved at the council meeting of 11 th December 2023 and set at £6,150 to be funded by the precept. <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>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The minutes of 12 th December 2022 demonstrate that the precept form would be submitted to the District Council by the due date. There is no record within

⁵ Practitioners Guide

		the minutes of the precept set although paperwork seen confirms that this was set at for the year 2023 – 2024 was set at £7,715. The precept for the year 2024 – 2025 was discussed and approved at the meeting of 11th December 2023 and set at £6,150. <i>Comment: in accordance with best practice, council might wish to record in the minutes the precept being set and the impact that this would have on a Band D Dwelling in monetary as well as percentage terms.</i>
<i>Regular reporting of expenditure and variances from budget</i>	No	Whilst bank balances are reported at each meeting, there is no formal submission of reports showing aggregate receipts and payments and variance against budget. Recommendation: council is advised to address this outstanding audit point.
<i>Reserves held – general and earmarked⁶</i>	Yes	The Council, as at year-end, had general reserves totalling £7,293.81 and earmarked reserves of £3,062.39. <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>
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
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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

<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.
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	Council received precept in the sum of £7,715 from Esat 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?⁷</i>	Yes	Council received CIL receipts in the sum of £1,062.39 during the year under review in October 2023.
<i>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported within the financial reports submitted to council. <i>Comment: The RFO might wish to consider maintaining a comprehensive spreadsheet detailing running totals along with expiry date of money received. The RFO has created an Earmarked Reserve for retained CIL balances.</i>
<i>Does unspent CIL income form part of earmarked reserves?</i>	No	Council's earmarked reserves for the year does not include the restricted sums of CIL monies received. Recommendation: council should note that retained balances should be transferred into an Earmarked Reserves specifically allocated in accordance with the regulations.
<i>Has an annual report been produced?</i>	No	The Annual CIL Statement has still to be presented to and approved by full Council.
<i>Has it been published on the authority's website?</i>	No	The Annual CIL Statement for the year has not yet been uploaded onto the council's website.

⁷ Community Infrastructure Levy Regulations 2010

		<i>Comment: council is 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.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	Yes	Cash is in operation for the 100+ club account with withdrawals carried out by a nominated Councillor via a debit card.
<i>If appropriate, is there an adequate control system in place?</i>	No	Council has still to act upon the previous recommendation and adopt a cash handling policy to include clear lines of responsibility.
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>	Unclear	Council had 1 employee (Clerk) on its payroll at the period end of 31 st March 2024. Employment contracts were not reviewed during the internal audit review. The function of RFO is carried out by a councillor.
<i>Has the Council approved salary paid?</i>	Unclear	There is no reference in the minutes to demonstrate that salary payments were presented to full Council for approval. Payments are made via internet banking in accordance with council's own Financial Regulations.
<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>	<i>Not clear</i>	The internal auditor is unable to verify the payroll arrangements in place although the payroll function is outsourced.
<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 assumed to be operated in accordance with HM Revenue and Customs guidelines and outsourced Recommendations: amendments will need to be made to the draft accounting statements as the payroll function costs have been included within Box 4 of the Accounting Statements.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	It is unclear as to whether council is aware of its pension responsibilities under the Pensions Act 2008.
<i>Have pension re-declaration duties been carried out</i>	No	No evidence was seen of the declaration (or redeclaration) of compliance with the Pensions Regulator. <i>Comment: council should be aware that every employer must put certain staff into a workplace pension scheme. This is known as automatic enrolment. This is an employer's legal duty, and councils must let the Pension Regulator know when they have completed the task by completing and submitting a declaration of compliance.</i> For further guidance: https://www.thepensionsregulator.gov.uk/en/employers
<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
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⁸ The Pension Regulator – [website click here](https://www.thepensionsregulator.gov.uk/en/employers)

<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	The Asset Register, as viewed in the files submitted for internal audit, was reviewed 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 £24,226.98, which reflects no movement in the asset register since that declared at 31 st March 2023. <i>Comment: the register is however showing an adopted date as 5th May 2021 and covers the year 2022-2023. Council should ensure that the asset register is annually reviewed with a review date to demonstrate that there is an accurate record of the council's assets.</i>
<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>	No	The values submitted on the Annual Governance and Accountability Return for Internal Audit show an asset value of £28,123 which does not match the asset register submitted for internal audit review. <i>Recommendation: as outlined in the internal audit for the year ending 31st March 2023, the value of council's assets to be shown on Box 9 of the Accounting Statements should match that as declared on council's asset register or vice versa.</i>
<i>Cross checking of insurance cover</i>	Yes	Council has insurance under all risks cover for its assets as specified under generic headings on the insurance schedule.
<i>Additional comments:</i>		

⁹ Practitioners Guide

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. 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 st March 2024) the balance across the council's account stood at 10,356.20 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.
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 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 financial trail from records to presented accounts. Year-end balances agree with cash book and bank reconciliations.

<i>Has the appropriate end of year AGAR¹⁰ 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 are still to be presented to and signed off by council. Recommendation: the RFO is advised to ensure the corrected AGAR is presented to council and the following figures utilised: Exemption Certificate: total income: £10,035; total expenditure: £9,180 Accounting Statements: those highlighted require amending and Boxes 11a and 11b require completion. <table border="1"> <tr><td>Box 1</td><td>5589</td><td>9501</td></tr> <tr><td>Box 2</td><td>6390</td><td>7715</td></tr> <tr><td>Box 3</td><td>905</td><td>2320</td></tr> <tr><td>Box 4</td><td>1198</td><td>2684</td></tr> <tr><td>Box 5</td><td>0</td><td>0</td></tr> <tr><td>Box 6</td><td>2185</td><td>6496</td></tr> <tr><td>Box 7</td><td>9501</td><td>10356</td></tr> <tr><td>Box 8</td><td>9501</td><td>10356</td></tr> <tr><td>Box 9</td><td>24227</td><td>24227</td></tr> <tr><td>Box 10</td><td>0</td><td>0</td></tr> </table>	Box 1	5589	9501	Box 2	6390	7715	Box 3	905	2320	Box 4	1198	2684	Box 5	0	0	Box 6	2185	6496	Box 7	9501	10356	Box 8	9501	10356	Box 9	24227	24227	Box 10	0	0
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Box 9	24227	24227																														
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<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 31st March 2023. The minutes of 15th May 2023 demonstrate that the certificate of exemption was signed by the Chair. <i>Comment: Council should ensure 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> Recommendation: council should address this outstanding audit point.																														
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of</i>	No	Council has not 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																														

¹⁰ Annual Governance & Accountability Return (AGAR)

<i>public right as required by the Accounts and Audit Regulations 2015?</i>		Regulations 2015. There is no evidence of the dates set on the website nor amongst the documents submitted for internal audit. <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> Recommendation: council should ensure that this outstanding audit point is addressed during the Summer of 2024.
<i>Have the publication requirements been met in accordance with the Regulations?¹¹</i>	No	The Council has not 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 31st March 2023 as none of the following could be found 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 Notice of the period for the exercise of public rights Analysis of variances Bank reconciliation – year-end Recommendation: council is advised to address this outstanding audit point.
Additional comments:		

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.

¹¹ Accounts and Audit Regulations 2015

Evidence		Internal auditor commentary
<i>Has the Council considered the previous internal audit report?</i>	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 11 th September 2023.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The following recommendations contained with the report requiring submission of a separate audit plan were as follows: 1. Adoption of the Model Financial Regulations 2. Evidence to demonstrate that a signatory initials the invoices for payment to provide a full audit trail 3. Implementation of a dual system for the monitoring of cash withdrawals 4. Review of the effectiveness of internal audit 5. Submission of monitoring documents to demonstrate that council is monitoring the budget 6. Adoption of cash handling procedures for the 100+ account monies 7. Completion of duties under the Pensions Act 2008 8. Completion of Box 9 of the AGAR with the correct asset register value. 9. Publication of the asset register 10. Restatement of figures on the accounting statements 11. Demonstration of the lawful decision to claim exemption from a limited assurance review 12. Provide proper opportunity for the exercise of electors' rights 13. Compliance with the publication of the Accounts and Audit Regulations 2015 14. Consideration of the internal audit report 15. Parish council approval for the appointment of the internal auditor 16. Publication of information in accordance with the Transparency Code for smaller authorities 2014

		17. Adoption of a document retention policy 18. Publication of a Website Accessibility Statement. Recommendation: in accordance with proper practices, an action plan should be produced setting out the areas of improvement or development as identified within the narrative internal audit report. The 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 that, to provide a positive response to Assertion 7 of the Annual Governance Statement, having received a narrative internal audit report, it should minute its review of the work conducted and agree actions planned from the outcomes identified.
Has the Council confirmed the appointment of an internal auditor?	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 15th May 2023. <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>
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	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	
Additional comments:		

Section 14 – additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		Internal auditor commentary
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the Parish Council at which the Chair was elected on 15 th May 2023 in accordance with legislation in place at that time.
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> ¹⁴	No	Whilst 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, for the following minutes there was no record of councillors in attendance: 11 th March, 12 th February, 8 th January 2024 and as such the internal auditor is unable to verify if the meetings were quorate. Recommendation: council is advised to ensure that all meetings record persons present as a quorum is required for each meeting. The minutes should also record councillors leaving and returning to the room if they are so required to do under the adopted Code of Conduct.

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)

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

<i>Is there a list of members' interests held?</i>	<i>Incomplete</i>	The Register of Interests on East Suffolk Council show eight councillors for Brandeston whilst the council's own webpage shows six serving councillors. There is also no link from the council's website to that of East Suffolk Council's for access to the Register of Interests. Recommendation: council might wish to consult with East 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.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	<i>N/A</i>	Council does not have any trustee responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	<i>No</i>	Council has previously been made 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 accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014 Recommendation: council should address this outstanding audit point.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	<i>Yes</i>	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. The ICO's Model Publication Scheme information sheet has been uploaded onto the council's website. However, this does not constitute a Model Publication Scheme document as defined under the Freedom of Information 2000 as it has not been tailored to the council to accurately reflect council's activities undertaken and the manner in which information will be made available.

¹⁵ Data Protection Act 2018

		Recommendation: Council should seek to review the information it holds under the scheme and ensure that it is up to date and that it is available to view on its website in a format that is tailored to the parish council.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken steps to address compliancy issues with the GDPR requirements and has adopted 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. <i>Comment: see the outstanding audit point in relation to the adoption of a data and document retention policy.</i>
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	No	Council still 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. Recommendation: council should take steps to address this outstanding audit point noting that 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.

¹⁶ Website Accessibility Regulations 2018

<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council uses a brandeston.net domain name and email address for official business for the council. <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>	Work required	It is assumed that council has / will have appropriate procedures in place to ensure the retention of key documentation.
<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: 26.06.2024 & 01.07.2024

Date of Internal Audit Report: 01.07.2024

On behalf of Suffolk Association of Local Councils

¹⁷ Practitioners Guide