

## Internal Audit Report for Sudbury Town Council

### for the year ending 31<sup>st</sup> March 2021

Clerk	Ciaran Griffin
RFO (if different)	Olga Holtom
Mayor	Sue Ayres
Precept	£704,100 (rounded)
Income	£1,020,491 (rounded)
Expenditure	£890,536 (rounded)
General reserves:	
General Purpose	£460,217
Current Year	£129,955
Earmarked reserves	£210,930
Audit type	<b>Annual</b>
Auditor name	Mrs 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:

- carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2020/21 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out 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
<i>Is the cash book up to date and regularly verified?</i>	Yes
<i>Is the arithmetic correct?</i>	Yes
<b>Additional comment:</b>	
<i>Council follows Proper Practices in ensuring that its accounting procedure gives a more 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. For further transparency and scrutiny, the RFO, in accordance with best practice, has referenced all payments and receipts with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>	

<b>Section 2 – Financial Regulation and Standing Orders</b>	
The internal auditor will check the date the Council carried out 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 Council reviewed its Standing Orders at its meeting of 9 <sup>th</sup> June 2020, a copy of which can be found on the Council's website and which are based on the Model Standing Orders produced by NALC in 2018 which take into account changes in legislation since those produced in 2013.
Are Financial Regulations up to date and reviewed annually?	Yes	Financial Regulations (FR), were reviewed and adopted by the Town Council on 8 <sup>th</sup> September 2020, a copy of which can be found on the Council's website and which are based on the Model Standing Orders produced by NALC in 2019. Amendments approved at the meeting included amendments to the budgetary control and authority to spend as well as changes to the statutory thresholds and amendments to the limits for seeking to obtain three quotations or estimates within certain limits for procurement purposes. <i>Comment: Council has shown good practice by ensuring that it has in place appropriate measures governing how it operates, provisions for securing competition and regulating the manner in which tenders are invited. In accordance with proper practices, Council has ensured that its Financial Regulations are regularly reviewed, fit for purpose and that Council agrees to adhere to them as written.</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's current Financial Regulations have been tailored to the Town 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), Council has appointed a person to be responsible for the administration of the financial affairs of the relevant authority.
Review of Town Council Business Plan	Yes	The Council maintains a rolling 4-Year Business Plan (2018-2022) which details the Council's overall vision and objectives, strategic planning/key projects, communication/engagement, a listing of specific actions with measurable outcomes and areas of active involvement. Assessment of the projects identified is regularly reviewed in terms of suitability, feasibility, acceptability and risk. At the meeting of the Policy and Resources Committee of 19 <sup>th</sup> May 2020, it was agreed that the Plan was a 'living' document and that Council would be mindful that changes would occur as

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

		<p>the town began to move out of lockdown. It was noted that the plan would be updated with the latest approved figures and that each Committee would be asked to review their parts of the Action Plan and as each were updated they would be published on the website. Such an action was formally approved by the Council at its meeting of 9<sup>th</sup> June 2020. It was further agreed that a working party be appointed to discuss updating the Business Plan with historic, short-term and long-term projects (Policy and Resources meetings of 22.07.20). This work is ongoing.</p>
<p><b>Additional comments:</b></p> <p>.</p>		

<p><b>Section 3 – Payment controls</b>                  The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.</p>		
<p><b>Evidence</b></p>		<p><i>Internal auditor commentary</i></p>
<p>Is there supporting paperwork for payments with appropriate authorisation?</p>	<p>Yes</p>	<p>At each Full Council meeting, in accordance with Council's Financial Regulations for the approval of payments, a list of all such payments awaiting approval is presented to the meeting with formal approval of such expenditure being shown in the minutes and evidence of such paperwork. Details of those authorizing the release of payment, is retained within the files submitted for internal audit.</p> <p>Spot checks on payments over £2,500 were cross checked against cashbook, payment authorization documentation, minutes and bank statements and found to be in order and correctly approved in accordance with Council's own Financial Regulations.</p> <p><i>Comment: Council is aware of its own Financial Regulation FR4.1 which gives delegated powers to duly appointed committees for approval of</i></p>

	<p><i>expenditure over £1,000 and under £5,000.00; to the Clerk in conjunction with the Chair of the Council or Chair of an appropriate Committee for any items up to £1,000 and to the Clerk for any items up to £250. Such expenditure is to be evidenced by either a minute, an email or by an authorised document duly signed by the Clerk and appropriate Chairman. presented to the meeting with formal approval of such expenditure being minuted and copies attached to the minutes as a formal record.</i></p> <p>Spot checks were carried out on the Fuel Genie Statements for the period under review and statements were interrogated to ensure a clear audit trail from point of purchase to allocation on the statement. <i>Comment: with reference to council's own FR 6.18 &amp; 6.19, council has ensured that it adheres to the specific control procedure for the use of any payments by a pre-paid debit card or trade card account transaction which includes a procedure in place for the handling of such transactions including the requirement to submit receipts for all expenditure incurred.</i></p> <p>The Finance Committee at its meeting reviews the annual list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to and further satisfies FR 5.2-5.5 by ensuring that payments made on a monthly basis via Direct Debit and Standing Order are submitted at each Finance Meeting and copies of such payments are attached to the minutes as a formal record. <i>Comment: Council has continued to ensure that it is mindful of FR 5.6 which states that provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, a list of payments pre-authorised shall be submitted to the next appropriate meeting of council. Such a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 are adhered to should be submitted at each Finance Meeting.</i></p>
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	<p>A purchase order system is used detailing items to be requisitioned along with prices. Since the last internal audit there appears to be a departure from the system whereby all purchase orders should be countersigned by the relevant line manager who is responsible for monitoring incurred expenditure and ensuring that orders submitted to contractors are formally accepted to ensure that the Council is getting value for money. During the internal audit review of the purchase order files a number had not been countersigned by the relevant line manager while a further number failed to demonstrate the price for the goods being ordered. It was also found that further purchase orders had been left uncompleted and yet had been signed out.</p> <p><b>Recommendation: Council should be aware that purchase orders are a key aspect of maintaining accurate, complete financial records. As with all financial enterprises, using purchase orders can act as an early warning system for unanticipated expenses. As the system requires all to submit a PO for most purchases, there's a record of any expense as soon as the need for it arises. Council should take steps to ensure that the system is fully utilised thereby maintaining a clear record of exactly what has been ordered and what prices have been clearly communicated. Such a system will provide not only legal protection for both parties but will also enable Council to ensure that it has control over its spending.</b></p> <p>A spot check of items paid via the BACS / Direct Debit system from the Council's Accounts were also cross checked against cashbook, bank statements and invoices. All were found to be in recorded/authorised correctly and in accordance with Council's adopted Financial Regulations. Such payments form part of the Payments Summary which is submitted to either Finance and Personnel Committee or full Council for approval at each relevant meeting and forms part of the Council's approved minutes. <i>Comment: Council continues with the good practice of ensuring, that a schedule of due and retrospective payments which arise on a regular basis of a continuing contract, is submitted to Finance Committee for approval at each meeting and signed off by the Chairman of the meeting. Such a report forms part of the Council's minutes.</i></p>
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Where applicable, were procurement controls identified and followed in the awarding of new contracts	Yes	<p>During the year under review there were no new tenders submitted. The website shows a number of procurement contracts that are currently in operation by the Town Council.</p> <p><i>Comment: Council might wish to review the list as shown and ensure that it is updated in accordance with the requirements of the Transparency Code 2015 noting that certain information is to be published quarterly - details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.</i></p>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	<p>Internet banking is operated in accordance with the Council's own Financial Regulations with payment authorisations in accordance with the limits set within Council's Financial Regulations. Evidence is retained showing which authorised members or the Clerk under delegated authority approved the payment.</p>
Is VAT correctly identified, recorded and claimed within time limits?	Yes	<p>VAT is clearly identified in the ledger book and claimed in accordance with the guidelines for local authorities and similar bodies. The year-end position of £8,805.08 is verified in the cashbook and was claimed after the year had been closed.</p>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	Yes	<p>At the meeting of 14<sup>th</sup> May 2019, full Council confirmed that, having met the criteria to adopt the General Power of Competence, as set out under the General Power of Competence (Prescribed under Conditions) Order 2012, it would resolve that it be renewed and so adopted.</p> <p>Grants under the GPoC for the period under review totalled £31,293 with an annual budget of £53,000.                  Grant Aid LGA 1972 s142 shows expenditure of £8,000.00 with an annual budget of £8,000.</p> <p><i>Comment: whilst the Council operates the grants or donations within the remit of its eligibility Criteria and Funding Priorities as outlined on its website, it is noted that the minutes of the Finance Committee of 27<sup>th</sup> April 2020 agreed that all new submitted grant applications would be considered on a monthly basis with the current policy deadlines being</i></p>

<sup>2</sup> Localism Act

		<i>suspended until further notice. A full list of the grants approved for the year under review was seen on the Council's website.</i>
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	<i>Not applicable</i>	The Council is able to use the General Power of Competence to incur expenditure that in its opinion is in the interests of and will bring benefit to its area and any of it or all of some of its inhabitants.
Emergency Fund and method of operation for the Covid-19 crisis		At the Finance Committee meeting of 7 <sup>th</sup> April it was resolved that funds be moved from existing general reserve in the sum of £5thousand and that the EMR be named the Covid-19 Fund. The fund would be reviewed in 6 months times and extended if necessary. It was approved that the overall control of expenditure from this fund be delegated to the Town Clerk subject to prior approval for items over £500 from a newly formed sub-committee consisting of three members of the Finance Committee. Formally approved of the Chair, Vice-Chair and a further member to sit on this committee was given at the Council Meeting of 14 <sup>th</sup> April 2020.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Yes	The council has two outstanding Public Works Board Loans at 31 <sup>st</sup> March 2021 of £319,239.47 (as per the notification from United Kingdom Debt Management Office and as declared on the Annual Governance and Accountability Return).  These are broken down as follows: PWLB Loan 493742 Delphi £2,666.48 PWLB Loan 494354 Town Hall £316,572.99 Repayments of interest were made during the year in accordance with the schedule seen. with fixed repayment dates of 28 <sup>th</sup> September 2020 and 28 <sup>th</sup> March 2021 with the interest rate of 5.40% and 4.67% respectively applied.
<b>Additional comments:</b> Council has recognised the recommendation from NALC in relation to dual authorization for internet payments and ensured that there are controls on expenditure as an integrated part of its overall financial control system and evidence retained showing which authorised members approved the release of the payment.		

<sup>3</sup> Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £8.12 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<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	Overall, the risk assessment documentation submitted for Internal Audit provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The Risk Management Policy for the year under review was adopted by full Council at its meeting of 9 <sup>th</sup> March 2021 and had been expanded to show the full likelihood versus impact in a 5 by 5 matrix in accordance with guidance issued under Proper Practices. Agreement was forthcoming that risks would be assessed in the three areas of physical injury, financial loss and reputational damage. The full risk assessment documentation was seen on the Council's website.
<i>Is there evidence that risks are being identified and managed?</i>	Yes	Council is aware that its risk assessment needs to focus on the safety of the parish council's assets and in particular its money. Council has ensured that there is the main evidence that it has taken actions 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	In accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance.  At the meeting of 3 <sup>rd</sup> March 2020, the Finance Committee having reviewed the cover being offered by three insurance providers, resolved that Council enter into a three-year commitment with BHIB from 1 <sup>st</sup> April 2020. The Council's Insurance document showing cover under a Local Council Policy with Aviva Insurance Limited was viewed during the internal audit visit.

		<p>The following were verified: Core Cover Public / Products liability cover £10million; Employer’s liability cover £10million; Money £250thousand; Legal Expenses £250thousand; Business Interruption £130thousand(Gross rentals) with increased cover &amp; extensions; Legal Defence £250thousand. Fidelity Guarantee cover is £1million. Motor Insurance with ERS Insurance Brokers for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 was seen. Policy Reference 4036121 covers 2 vehicles with exclusions for drivers under the age of 25. Property Damage cover in in place for those buildings / land as specified in Council’s policy schedule and covers those items as listed within Council’s Asset Register. Business all risk cover is provided within the boundaries of Sudbury under generic headings: Street furniture; gates and fences; playground equipment and surfaces; war memorials; CCTV equipment; mowers and machinery and regalia.</p> <p>Fidelity Guarantee cover at £1million is below the limit identified in accordance with guidance, which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April.</p> <p><i>Comment: Council might wish to ensure balances and cash flow are monitored on a regular basis to ensure that cover is appropriate as balances are managed over the course of the financial year. Council has ensured that by reviewing its annual insurance, it has recognised that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, have been taken to mitigate and manage the risk.</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i></p>	<p>Yes</p>	<p>In accordance with the Accounts and Audit Regulations 2015, Council formally reviewed the effectiveness of its system of internal control within its Internal Control Procedure Report which undertakes a series of control tests to demonstrate that it has mitigation measures in place to address the risks associated with the management of public finances. During the year, in accordance with their terms of reference, a member of the Finance Committee carried out six monthly reviews of the Council’s internal controls</p>

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

	<p>as defined within its Risk Management Policy and ensured that there were sufficient safeguards in place to protect and manage public finances in accordance with Proper Practices. It is also noted that the minutes of 13<sup>th</sup> October 2020, show that Council has introduced a payment restriction level of £10,000 for a service administrator in the operation of the Council's accounts. Any payment over £10,000 must have a second approval of the Town Clerk or Responsible Financial Officer. This will therefore ensure that the operation of the Council's banking mandate is in accordance with the Council's Financial Regulations.</p> <p>However, upon analysis of the Internal Control Report there is limited reference to online banking payments and limited accountability in the level of control and management. Whilst the Council must determine the most appropriate method of internal control and care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs, the current system could be expanded to provide robust evidence of active participation by members in providing positive assurance to the electors of their stewardship of public money.</p> <p><b>Recommendation: Council should consider introducing a policy/procedure whereby its specific control procedures for payments by bank transfer or other electronic means are detailed showing that it has examined and acknowledged the risks brought about by the ease and speed of such transactions and the difficulties faced in unravelling them should there be errors are mitigated. The control measures within the current Internal Control Review are limited and should be expanded and as such Council is advised to formally adopt an Internal Control Policy which would expand current arrangements and cover the purpose of the system of internal control, the personnel involved with the internal control regime, review of effectiveness of internal control along with an action plan to address issues raised within the internal control process. In particular, although Council is mindful to ensure that all payments are carried out with reference to its own Financial Regulations 6, there is no reference to online banking for the use of the</b></p>
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		<b>settlement of accounts within the Council's overall Risk Assessment Documentation.</b>
<i>Evidence that a review of the effectiveness of internal audit has been carried out during the year<sup>5</sup></i>	Yes	In accordance with Proper Practices, full Council, at its meeting of 7 <sup>th</sup> January 2020 at which the renewal of the appointment of the internal auditor was agreed, reviewed the effectiveness of internal audit and found that the Internal Audit Service as proposed by Suffolk Association of Local Council was effective.  <i>Comment: by reviewing the terms of reference and effectiveness for internal audit the council has followed guidance and demonstrated that it recognised that the function of internal audit is to test and report to the authority on whether its system of internal control is adequate.</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	Council at its meeting of 14 <sup>th</sup> January 2020, approved the Revenue Budget for 2020/21 in the sum of £703,377. <i>Comment: Council is aware that the preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority and for clarity and transparency has ensured that the level of budget is clearly evidenced in the Council's minutes.</i>
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept in the sum of £704,100,000 was set at the same meeting with the minutes recording that this would equate to an increase of 2.89% on a Band D council tax bill.

<sup>5</sup> Governance and Accountability Guide

<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>Yes</p>	<p>Council continues with its existing practice of ensuring that management accounts on a cumulative basis are presented and considered at each Finance Meeting. Detailed budget reports to actual with committed expenditure and funds available breakdown were reviewed during the internal audit which allows the comparison of income and expenditure across specific budget headings and are presented in accordance with Council's Standing Orders and Financial Regulations. These reports are resolved for adoption at the next full Council Meeting and, once adopted, form part of the meeting's minutes..</p> <p>Virements between budgets are approved in accordance with Council's own Financial Regulations and Council is aware that a virement from reserves into the revenue budget may only be made following a resolution of the Council, or duly delegated committee.</p>
<p><i>Reserves held – general and earmarked<sup>6</sup></i></p>	<p>Yes</p>	<p>Whilst the Annual Governance and Accountability Return is still to be formally approved by full Council, the Town Council has year-end reserves of £801,102 which are broken down as follows:                  Current Year Reserves: £129,955                  General Purpose Fund: £460,217                  and earmarked reserves funded as below:                  Rolling Capital Fund: £78,696                  Training Costs Fund: £1,300                  Services and Acquisitions: £16,100                  OAP Christmas Fund: £3,624                  Biodiversity Trail: £6,466                  Advertising and Promotion: £5,410                  Dogs Anti-Fouling Campaign: £187                  Ground Maintenance: £8,485                  Sudbury Infrastructure: £68,239                  Staff Social Security: £6,044                  Mayors Benevolent Fund: £7,953                  Covid-19: £1,546                  Elections: £6,878</p>

<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

		<p><i>Council should be aware of the 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 adopted is in accordance with its 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).</i></p>
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**Additional comments:**

*Budget: Council shows good practice by continuing to follow the recommended key stages as to the budgetary process to be followed for the year, and ensures that there is clarity on the budget being set and that reporting schedules for the monitoring of the budget are adhered to.*

*The recommended key stages are as follows:*

- *decide the form and level of detail of the budget;*
- *review the current year budget and spending;*
- *determine the cost of spending plans;*
- *assess levels of income;*
- *bring together spending and income plans;*
- *provide for contingencies and consider the need for reserves;*
- *approve the budget;*
- *confirm the precept or rates and special levies; and*
- *review progress against the budget regularly throughout the year.*

**Recommendation: Council should note guidance as issued under the Practitioners Guide which states that an authority needs to have regards to the need to put in place a General Reserve Policy with explanations as to the high level of general reserves being held and to have evidenced that it has reviewed the level and purpose of all Earmarked Reserves.**

**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 number of items of income were cross checked against cash book and

		<p>bank statement and found to be in order and recorded in accordance with Proper Practices. Council's accounting records contain all day-to-day entries of all sums of money received. Grants received were verified against offer letters submitted.</p> <p>Spot checks on further items paid during the year under BACS / Direct Credit into the Council's Accounts were cross checked against cashbook, bank statements and invoices raised by the Council. All were found to be in order with a clear underlying audit trail. Income is recorded in accordance with Financial Regulations and reported within the Income and Expenditure Reports received by the Finance Committee on a monthly basis.</p>
<i>Is income reported to full council?</i>	Yes	<p>Income received is reported within the detailed financial reports summarizing the Council's receipts and payments as submitted to the Finance Committee.</p> <p>The outstanding sales ledger invoices for the period ending 31<sup>st</sup> March 2021 was seen and verified. The RFO has advised that there are no irrecoverable accounts for consideration as bad debts. <i>Comment: Council is aware that Proper Guidance states that uncollectible amounts, including bad debts, should only be written off with the approval of members, or under delegated authority by the RFO and that such approval should be shown in the accounting records.</i></p>
<i>Does the precept recorded agree to the Council Tax Authority's notification?</i>	Yes	<p>The council received precept of £704,100 in the year under review in April and September 2020. Evidence was provided showing a full audit trail from Precept being discussed and approved at the meeting of 14<sup>th</sup> January 2020, served on the Charging Authority to receipt of same in the Council's Bank Account.</p>
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?<sup>7</sup></i>	Yes	<p>For the year under review Council receive CIL Receipts in the sum of £5,412.39. In accordance with the 2010 Regulations, the Council having a retained balance of CIL funds has ensured that retained balances are</p>
<i>Is CIL income reported to the council?</i>	Yes	

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

<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	transferred into an Earmarked Reserve specifically allocated. A copy of the workings for the annual report for the year ending 31 <sup>st</sup> March 2021 showing retained balance of £17,657 was enclosed with the files submitted for Internal Audit. The signed report was submitted within the files submitted for internal audit. A copy of the report for the year 20/21 was seen on the Council's website.
<i>Has an annual report been produced?</i>	Yes	
<i>Has it been published on the authority's website?</i>	Yes	
<b>Additional comments:</b> <i>CIL Reporting: Council has ensured that it complies with its duty to produce an annual CIL report for each financial year and is aware that such a report should be uploaded onto its website by 31<sup>st</sup> December of that year.</i>		

<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>	Yes	Petty cash system in place, form is completed, and receipt required for all purchases. Petty cash tin is kept in a secure location.
<i>If appropriate, is there an adequate control system in place?</i>	Yes	There is a satisfactory expense system in place and Council ensures that all expense claim forms are standardised; accompanied by receipts and that all forms are signed by not only the claimant but also the line manager for that department.  Approval was given at the meeting of the Finance Committee of 5 <sup>th</sup> May 2020, for the Mayor's Allowance (with reference to LGA 1972 s145) for 2019/2020 to be set at £3,500. <i>Comment: Council is aware that section 15(5) of the LGA 1972 provides that Parish (and Town) Councils may for its Mayor "for the purpose of enabling him to meet the expenses of his office such allowance as the council think reasonable".</i>
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries are approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. If the Clerk was recruited after 1 <sup>st</sup> April 201, evidence will be required to show compliance with the new requirements for the statement of employment, Induction, probation periods and training requirements. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<b>Evidence</b>		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 21 employees on its payroll at the period end of 31 <sup>st</sup> March 2021. All staff have employment contracts which include provisions for annual reviews. Salary payments are approved by full council with salary rates being approved by full Council or duly delegated committee. Amendments to the contracts of some members of staff was approved at the meeting of 17 <sup>th</sup> November 2020 by full Council.
<i>Has the Council approved salary paid?</i>	Yes	
<i>Are arrangements in place for authorising of the payroll and payments to the council?</i>  <i>Does this include a verification process for agreeing rates of pay to be applied?</i>	Partly met	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. Salaries are paid in accordance with contracted hours worked and timesheets for office staff and labour including those for overtime were seen. Overtime paid to employees is implemented as per Financial Regulation 7.1.  <i>Comment: upon a review of the payroll files, it is noted that there was limited checking and authorising of timesheets and in particular the authorisation of overtime to be paid to employees. A number of the timesheets submitted for payroll were unsigned in terms of staff checking and authorising payments to be made.</i>  <b>Recommendation: Council should be mindful of its Financial Regulation 7.1 which requires that any overtime paid to employees must be recommended by their line manager and then authorised in advance by the Clerk (or in the absence of the Clerk, the Deputy Clerk).</b>
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The council's payroll service is outsourced and run by SGW Payroll Ltd. and has been overseen by the council as an employer. Cross-checks

		were completed on six payments covering salary and PAYE were found to be in order in terms of deductions made and hours paid ( <b>see recommendation above</b> ). 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	13 of Council's employees on its payroll at year-end are members of the Local Government Pension Scheme with 4 being members of the NEST Pension Scheme.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	Council is aware of the changes in the Practitioners Guide for 2020 on the treatment of what can be included as employment expenses within the Annual Governance and Accountability Guide 2020 - section 2.16 refers and submitted within Box 4 of the AGAR.  All staff expenses / payments made are against itemised invoices are approved 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>		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	The Asset Register details assets held by the Council which have been defined as Fixed Assets and the itemised list forms the basis of Box 9 of the Annual Governance and Accountability Guide. The Asset Register was

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

<sup>9</sup> Governance and Accountability for Smaller Authorities in England – March 2019

<p><i>Are the value of the assets included? (note value for insurance purposes may differ)</i></p>	<p>Yes</p>	<p>reviewed during the Internal Audit Visit and a spot check of assets against insurance valuations was undertaken and found to be in order. Movement through the registers covering acquisitions and disposal totalling -£50,729.69 was evidenced in the files submitted for internal audit. The Asset Register at year-end shows assets to the value of £2,911,767.99</p>
<p><i>Are records of deeds, articles, land registry title number available?</i></p>	<p>Yes</p>	<p>All assets have been stated as at cost value (fixed as at 2010 in accordance with the basis as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA)) and where assets have been gifted or where there is no known value have been given the proxy value of £1.  <i>Comment: this current valuation for assets commonly known as community assets is in line with requirements for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value is recorded, which acts as a proxy value to the original cost and will remain unchanged until disposal.</i></p> <p>Records of deeds, articles, land registry title number were not reviewed during the internal audit.</p>
<p><i>Is the asset register up to date and reviewed annually?</i></p>	<p>Yes</p>	<p>An interim review of the asset register was carried out at the meeting of the Finance Committee of 6<sup>th</sup> October 2020 at which members resolved to write off items from the Asset register. A final review of the asset register along with movement will be formally considered by Full Council once it meets to discuss the annual accounts.</p> <p>Assets as seen on the register and used for the Accounting Statements are broken down as follows:                  Land and buildings £2,095,491.00                  Intangible Assets £5,745.00                  Vehicles and equipment. £187,888.27                  Infrastructure £169,568.72                  Street improvements £176,817.00                  Community assets £106,282.00                  Civic Regalia £121,105.00                  Council Artefacts £ 48,871.00</p>

		<p><i>Comment: Council has followed recommended guidance with regards to the treatment of community assets such as Town Hall Museum; land at Croft; Land at Mill Acre; land at Woodhall and Francis Road and land at Cemetery and extension; Council Artefacts on loan to Gainsborough's House which due to their nature or legal status do not have a market value as they cannot be or will not be sold. Such assets have been included at either their historic cost value or given a £1 nominal value. Such assets are given a value and included in the asset register at a value other than zero to ensure the Town Council's ownership and responsibility is recognised and not lost or forgotten.</i></p> <p>The Council minutes of 10<sup>th</sup> November 2020, following receipt of the internal control procedure report recommended that all appropriate assets that belonged to Sudbury Town Council be officially registered with HM Land Registry. Council is in the process of carrying out this work.</p>
<i>Cross checking of insurance cover</i>	Yes	All risks cover is in place for a number of items within the Council's ownership or responsibility on a banded scale to cover the Council's asset as listed as Infrastructure.
<p><b>Additional comments:</b>  <i>Council is mindful of the guidance within the Governance and Accountability for Smaller Authorities in England March 2020, on the valuation of its assets which required authorities to apply a reasonable approach to asset valuation which is consistent from year to year. Proper practices states that authorities need to apply a reasonable approach to asset valuation which is consistent from year to year. Where the method asset valuation is changed during the financial year, Council will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Guide.</i></p>		

<p><b>Section 10 – bank reconciliation</b>                  The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.</p>		
<b>Evidence</b>		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, reconcile with the cash sheets and cover all of the Council's accounts. Council has ensured that by reconciling the council's accounts to the bank statement it has limited the

		<p>exposure to errors, omissions or discrepancies in either the bank accounts or the cash books.</p>
<p><i>Do bank balances agree with bank statements?</i></p>	<p>Yes</p>	<p>Bank balances agree with period end statements and, as at year end (31<sup>st</sup> March 2021), the balance across the councils accounts stood at £818,963.16 as recorded on the Year-end Bank Reconciliation. As such the year-end reconciliation provides evidence to support the total cash and short-term investments balance to be shown in Box 8 of the Annual Governance and Accountability Guide.</p> <p>Balances are as follows:                  Current Bank Account: £52,236.77                  32 Day Notice Deposit Account: £555,344.45                  TIC Cash Banking Account: £35.00                  Cash: £189.35                  Mayors Allowance: £3,204.50                  Mayors Charity Account: £0.27                  Benevolent Fund Account: £7,952.82                  Fixed Term Deposit Accounts: £200,000.00</p> <p>To continue to minimise the Council's exposure to risk, it has sought to diversify its reserves with the objective of prudently investing some of its balances. Council has ensured that it uses only specified investments as defined by DCLG guidance and is aware that such investments should have regard to security of its monies invested along with the ability to draw upon the funds when needed. Council has the following investments:                  £200,000 in fixed term deposit accounts with Aldermore Bank:                  £100,000 @ 0.950% (reinvested 16 November 2020);                  £100,000 @ 1.00% (maturity date 15 October 2020).  <i>Comment: Council has taken into account the guidance as per Proper Practices on the treatment of investments which states that it is unusual for an authority to hold its reserves other than in the form of easily accessible bank deposits or other short-term investments.</i></p> <p>At the meeting of 10<sup>th</sup> March 2020, full Council approved its Treasury Management Scheme Strategy for 2020.</p>

		<i>Comment – Statutory guidance on investments issued by the Secretary of State under section 15(1)(9) of the LGA 2003 (3rd edition) states that all councils that have investments in excess of £100,000 should have in place an investment strategy. Council reviewed its Treasury Management Investment Strategy Statement at its meeting of 13<sup>th</sup> April 2021 and has ensured that it has assessed the risk of committing funds to longer term investments and that such investments comply with legislative requirements.</i>
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	Balances across the Council’s accounts are received and reviewed on a regular basis by the Finance Committee. The RFO ensures that the Council is aware that in accordance with proper practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows and therefore aids decision-making.  <i>Comment: in accordance with Proper Practices and Council’s Financial Regulation 2.2, Council has implemented a system whereby a Councillor carries out a quarterly review of the Council’s bank reconciliations by formally signing off the bank reconciliation. This was implemented from the second quarter of the year under review. This is not only good practice but also is a safeguard for the RFO and fulfils one of the authority’s internal control objectives.</i>
<b>Additional comments:</b> <i>Comment: Council follows guidance on its investments as issued by the Secretary of State under section 15(1)(9) of the LGA 2003 (3rd edition) which states that all councils that have investments in excess of £100,000 should have in place an investment strategy.</i>		

<b>Section 11 – year end procedures</b>		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Are appropriate accounting procedures used?</i>	Yes	Accounts are produced on an income and expenditure basis. All were found to be in order. There is an underlying financial trail from financial records to the accounts produced. Council has continued to ensure that its records detail the assets and liabilities of the Council included the asset and investment register and record of loans and other debts.

<i>Financial trail from records to presented accounts</i>	Yes	Debtors and creditors have been properly recorded. Year-end balances agree with cash book and bank reconciliations: Debtors: £12,186.97 Stock: £6,055.59 VAT Account: £8,805.08 Bank Accounts: £818,963.16 less Creditors: £44,908.70 Represented by: Total Reserves: £801,102.10
<i>Has the appropriate end of year AGAR<sup>10</sup> documents been completed?</i>	Yes	As Council is a smaller authority with gross income and expenditure exceeding £25,000 it will be required to complete Part 3 of the AGAR. and Section 2 - Accounting Statements of the AGAR was completed but unsigned at the time of Internal Audit.  <i>Comment: Council is aware that under intermediate level review procedures the following additional information is required for the year 2020-2021:</i> <ul style="list-style-type: none"> <li>• <i>Basic level review information</i></li> <li>• <i>Evidence that the authority is registered with HMRC (Practitioners Guide para. 5.48 to 5.54 provides guidance related to Employment Issues)</i></li> <li>• <i>If the 19/20 external auditor report included any "except" for matters, copies of the minutes and any agreed plan showing the corrective action taken to address these matters.</i></li> </ul>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	Not applicable	As the Parish Council had gross income and expenditure exceeding £25,000 it was not able to declare itself exempt from a limited assurance review.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?</i>	Yes	The internal auditor was able to find the arrangements for the exercise of public rights for the period under review and can confirm that the dates set for the year ending 31 <sup>st</sup> March 2020 were from 20 <sup>th</sup> July 2020 until 28 <sup>th</sup> August 2020.

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

<i>Have the publication requirements been met in accordance with the Regulations?<sup>11</sup></i>	Yes	The Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000 but not exceeding £6.5 million for the year ending 31 March 2020 and published the following on a public website: 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 Section 3 – External Audit Report and Certificate.
<p><b>Additional comments:</b>  <i>Comment: Council has noted that under the Accounts and Audit Regulations 2015, it is recommended that, as best practice, and to avoid any potential confusion by local electors and interested parties, that the Council also publishes the Annual Internal Audit Report, page 3. Council has also published the full internal audit report.</i></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>		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
<i>Has the previous internal audit report been considered by the Council?</i>	Yes	The Internal Audit Report was considered by full Council at its meeting of 9 <sup>th</sup> June 2020.
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	As evidenced in the minutes of the above meeting, the internal audit report was received and accepted by full Council with a further resolution to adopt the action plan arising from the internal audit report. The following comments / recommendations were raised in the Annual Internal Audit Report for the year ending 31 <sup>st</sup> March 2020: Review of the Council’s Publication Scheme Updating of the Council’s website with the latest version of the Council’s Business Plan (2020 version).

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

<i>Has the Council confirmed the appointment of an internal auditor?</i>	Yes	The appointment of SALC as the Council's internal auditor for one visit for the year 20-21 was confirmed at the meeting of the Finance Committee of 7 <sup>th</sup> January 2020 in accordance with their Terms of Reference.
<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 taken into account.		
<b>Evidence</b>	<i>Internal auditor commentary</i>	
<i>Has the previous external audit report been considered by the Council?<sup>12</sup></i>	Yes	At the Town Council meeting of 13 <sup>th</sup> October 2020, Council formally accepted and approved the adoption of the Limited Assurance Review as carried out by the External Auditor.
<i>Has appropriate action been taken regarding the comments raised?</i>	Yes	There were no matters raised which required the issuing of a separate report and Council noted the action required for future submissions in relation to the timing of the signatures on the AGAR.
<b>Additional comments:</b>		
<i>Comment: in accordance with Regulation 20 of the Accounts and Audit Regulations 2015, Council has ensured that, following the completion of an audit, full Council and not a committee considers and receives the audit letter from the local auditor and that this shall be as soon as reasonably practicable.</i>		

<b>Section 14 – additional information</b>	
The internal auditor will look for some 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>

<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.*

<p><i>Was the annual meeting held in accordance with legislation?</i><sup>13</sup>                  (note to auditor- emergency Regulations as a result of the COVID-19 pandemic)<sup>f14</sup></p>	<p>Yes</p>	<p>In accordance with legislation coming forth, Council held its Annual Meeting of the Council via Video Conference on 12<sup>th</sup> May 2020. The election of the Town Mayor for the year 2020/2021 was the first item on the agenda.</p> <p><i>Comment: In recognition of this being unprecedented times and following the Government's guidelines for staying at home and working remotely, the Government included within s.78 in the Coronavirus Act 2020 (made 4<sup>th</sup> April 2020) the ability for the Secretary of State to have the power to make Regulations to cover the provisions for the holding of meetings. The 2020 Regulations set out those provisions. Council has followed these regulations and held its meetings via a Videoconferencing platform in accordance with the conditions laid out.</i></p>
<p><i>Is there evidence that Minutes are administered in accordance with legislation?</i><sup>15</sup></p>	<p>Yes</p>	<p>It is noted that the minutes for the months of January through to March 2021, with the exception of the minutes of the Leisure and Environment Committee are unsigned.</p> <p><i>Comment: Council is reminded that minutes become legal once they are approved by the council and signed by the chairman of that meeting as an accurate record. The LGA 1972 schedule 12, paragraphs 41(1) and 44 contains provisions which state that the draft minutes of a meeting should be formally approved (with any necessary amendments) and signed at the next meeting and that once approved, the draft minutes or recordings of the meeting for which approved minutes exist can be destroyed.</i></p>
<p><i>Is there a list of members' interests held?</i></p>	<p>Yes</p>	<p>Evidence was seen on the District Council's website of the Register of Interests for all current Town Councillors.</p> <p><i>Comment: Council should note the requirement that, whilst the monitoring officer of the District Council must arrange for the parish council's register of members' interests to be available for inspection in the district and must be published on the district council's website, where the parish (town) council has its own website, its register of members' interests must also be</i></p>

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

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

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

		<i>published on that website. (Openness and transparency on personal interests - A guide for councillors – August 2012).</i>
<i>Does the Council have any Trustee responsibilities and if so are these clearly identified in a Trust Document?</i>	<i>Not applicable</i>	The council has no sole trustee responsibilities.
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	For Councils with income over £200,000 the provisions contained in Part 2 of the Local Government Transparency Code 2015 in relation to matters that should be published, are mandatory and Council's Officers need to have oversight to ensure that there is overall compliance with these requirements.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?<sup>16</sup></i>	Yes	The council is correctly registered with the ICO as a Data Controller in accordance with legislation. Reference: ZA247360 Expires 01/05/2022. At its meeting on 30 <sup>th</sup> March 2021 the Council received and considered the revised Freedom of Information Act Publication Scheme. The Council reviewed the Scheme as written and confirmed that the proposed changes were in order and should be added to the revised Scheme.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	The Council has taken steps to ensure compliancy ensuring that all connected to the Town Council are aware of the requirement to comply with GDPR and ensure the protection of an individual's personal data however it may be stored. Over the past year, Council has adopted a suite of policies that provides clear responsibilities and obligations of the Town Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. A timetable has been established for the review of such policies to ensure that they are not only compliant with GDPR but are also compliant with The Data Protection Act 2018 Act and any subsequent amendments covered by legislation. A range of documents were able to view on the website detailing the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>17</sup></i>	Yes	The Council operated website does not have an 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

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

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

		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>Is there evidence that electronic files are backed up?</i>	Yes	Council has in place a system whereby regular back-ups of Council's day to day records to a cloud-based system and external hard-drives takes place on a daily basis.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	At the full Council meeting of 12 <sup>th</sup> May 2020, the appointment of members to Council's committees was formally approved. Full Council reviewed and approved the Terms of Reference for its Standing Committees at the meeting of 10 <sup>th</sup> November 2020, copies of which can be seen on the Council's website.  <i>Comment: Council should be advised that the links from the Scheme of Publication are not always accurately placed – e.g. Procedural Financial Regulations; Delegated Authority in respect of officers; Committee and Code of Conduct; Policies and Procedures for the conduct of Council Business.</i>
<p><b>Additional comments:</b>                  Transparency Code 2015 - to ensure full compliance with the requirements of the Local Government Transparency Code 2015 (turnover exceeding £200,000), Council's Officers should ensure that the Council's website is updated regularly with the following information in accordance with the required timescales:                  quarterly:                  Individual items of expenditure that exceed £500 (currently published on an annual basis);                  Government Procurement Card transactions;                  Invitations to tender for contracts over £5,000;                  Details of contracts that exceed £5,000;                  annually:                  Details of all land and building assets;                  Grants to Voluntary, Community and Social Enterprise Organisations;                  Organisational Chart</p> <p><b>Recommendation: As The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 are now in force, Council should ensure that at the very minimum it publishes on its website, a Website Accessibility Statement, which has identified the areas which are not accessible and shows that Council has a forward plan so that it can make changes to improve this.</b></p> <p>Summary: acknowledging that the primary role of the internal auditor is to provide independent, objective assurance to Members and management that key risks are being managed effectively, during the year to 31<sup>st</sup> March 2021, Council overall maintained good governance arrangements and</p>		

that the review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains an acceptable framework of financial administration and internal financial control. Recommendations made within the report are to ensure that Council operates at a level that will demonstrate that the Council's risk management, governance and internal control processes are operating effectively and in accordance with Proper Practices.

The Internal Auditor offers her appreciation to the RFO and Deputy RFO for their assistance provided in ensuring that the files were well presented and in order for the internal audit visit.

Signed: *Victoria S Waples*

Date of Internal Audit Visit: 18.05.2021 Date of Internal Audit Report: 27 May 2021

On behalf of Suffolk Association of Local Councils