

Internal Audit Report for Southwold Town Council

for the period ending 31 March 2024

Clerk	Lesley Beever
RFO (if different)	-
Chairperson	Councillor Simon Flunder
Precept	£ 120,573
Income	£2,257,090
Expenditure	£2,599,941
General reserves	£ 117,517
Earmarked reserves	£1,895,095
Audit type	Annual
Auditor name	Victoria Waples

Introduction

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

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

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

Methodology

When conducting the audit, the internal auditor may:

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

Section 1 – proper bookkeeping The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence	<i>Internal auditor commentary</i>	
<i>Is the ledger maintained and up to date?</i>	Yes	The Council uses the Omega Accounting Financial Package which is a purpose-built accounting system for town and parish councils with full accounting support. The financial package allows a clear audit trail to ensure monthly bank reconciliations along with budgetary reports are easily accessible for all to view.
<i>Is the ledger on the correct basis in relation to the gross income/expenditure?</i> (under Proper Practices, Councils are required to work on an Income & Expenditure basis when their gross income, or gross expenditure, exceeds £200,000 for 3 consecutive years)	Yes	Council operates on an Income and Expenditure accounting processes and understands that the accounting statements will include all of the transactions for the year where the council has received economic benefits or given other economic benefits irrespective of the year in which they are paid.
<i>Is the cash book up to date and regularly verified?</i>	Yes	Council continues to follow Proper Practices in ensuring that its accounting procedure gives a more accurate presentation of the 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. The Responsible Financial Officer (RFO) has used the full suite of accounting and reporting tools associated with the package to produce clear financial management information to the Council on both a monthly and annual basis. <i>Comment: 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.</i>
<i>Is the arithmetic correct?</i>	Yes	Spot checks were made and were found to be correct. Cash books are reconciled on a regular basis. <i>Comment: The RFO continues with the best practise of ensuring, for further transparency and scrutiny, that all payments and receipts are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</i>

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	The Standing Orders, as seen on the Council's website, were reviewed at the meeting of 30 th May 2023 with amendments to Standing Order 18 to reflect changes to the thresholds under the Public Contracts 2015 Regulation 110 (5)(b). They are based on the latest model published by the National Association of Local Councils (2018) (with amendments) and as such they are compliant with legislation and have been adapted (where they are not statutory requirements) to ensure that they are relevant to the Town Council.
Are Financial Regulations up to date and reviewed annually?	Yes	Council's Financial Regulations (FR), were reviewed at the meeting of 30 th May 2023 with further amendments to Section 11 Contracts as approved at the meeting of February 2024. The adopted FRs are based on the NALC Model Financial Regulations 2019 with provisions for amendments to the Procurement Thresholds as advised under the Public Contracts (Amendment) Regulations 2022. <i>Comment: the newly produced Financial Regulations (available May 2024) have taken such amendments into account and are available for adoption by councils at the earliest opportunity.</i>
Has the Council properly tailored the Financial Regulations?	Yes	The Council's Financial Regulations have been tailored to the Town Council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	Yes	The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority.

¹ Section 151 Local Government Act 1972 (d)

Section 3 – Payment controls

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

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	Yes	<p>A selection of random payments were cross checked against payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. Council follows good practice by ensuring that, upon receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT.</p> <p>Council continues with the practice as outlined in previous audits of ensuring that 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, including details of those authorizing the release of payment, is retained within the files submitted for internal audit. As identified in previous internal audits, Council has continued to be 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</p>

		<p>requirements of regulation 4.1 are adhered to should be submitted at each Annual Meeting.</p> <p>The RFO has ensured that, where relevant, it has complied with its own Standing Orders and Financial Regulations in terms of procurement and where those regulations require an open invitation and a formal tender process, it has followed them. The process followed by the council in reviews of the significant six contracts as awarded during the year, from the tender process through to the appointment of contractors was reviewed and found to follow procedure with regard being taken of the relevant FRs by which the Council was abiding. In all cases (bar one), work has commenced, and details of the appointed contractors are available to view on the council's website. Council is regularly updated via the project register detailing the projects being undertaken, resources for that project, budget and programme status.</p> <p><i>Comment: Council has understood that where the legislation applies, as a contracting authority, it must, in general, meet their contractual requirements for goods, works and services by means of an advertised competitive contract award process that is based on objective, relevant and proportionate criteria. Council might wish to note that if it invites specific firms to tender, it should ensure that the reasons for such an action is recorded in accordance with guidance and where the opportunity was not advertised, it must still publish the awarding of the contract (over £30,000 thereafter) on the Contracts Finder within a reasonable time limit.</i></p>
Where applicable, are internet banking transactions properly recorded and approved?	Yes	<p>Council continues with its procedure, in accordance with Council's Financial Regulation (FR) 5.6, of retaining a two-tier security system for payments which are settled by the BACS system. In the case of BACS payments, the RFO may set up transactions online for approval in advance, once the accounts for payment are approved by the council or Finance & Governance Committee, two bank signatories shall authorise the transactions online using their own unique ID The system ensures that the instructions for each payment are signed by two authorised bank signatories.</p> <p><i>Comment: whilst this not only protects the RFO and fulfils an internal control objective to ensure the safeguarding of public money and allows the council to have in place specific control procedures for payments by bank transfer or</i></p>

		<i>other electronic means and a process and mitigating action to protect the council against payment of invoices which may show fraudulent bank account details.</i>
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is identified in the cash book and reclaimed on a monthly basis. The VAT Assessment File as produced by the accounting package operated by the RFO was reviewed and verified. The monthly reclaims covering the periods 1 st April 2023 to 31 st January 2024 were reviewed during the internal audit review and there were no underlying issues arising. The year-end recoverable VAT figure of £82,366 was seen and interrogated and agrees with that shown on the Trial Balance. <i>Comment: for the year 2023-2024 VAT has been appropriately identified in relation and correctly coded according to the Council's business and non-business activities within the financial records of the software used by council and the Council has robust arrangements in place for managing its responsibilities regarding VAT.</i>
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	Yes	Council, having declared that it fulfilled the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)), resolved at the meeting of 30 th May 2023, to use the power until the next relevant Annual Council Meeting (May 2027). The Grant Scheme offered by the Council has clear evidence supporting requests and payments made. Payments incurred under this category totalled £23,967 (against a budget of £7,311 for annual donations and £10,000 for community support service grants). The website contains a running total of grants awarded to non-profit making organisations, charitable groups and voluntary community groups that will benefit residents of Southwold.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	N/A	Council uses the discretionary power to do anything that an individual can do unless specifically prohibited by law.

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.

Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Yes	The council has the following Public Works Board Loan: PW506406. Interest repayments are to be made twice yearly on the nearest working day to 19 March & 19 September under an EIP (equal instalments of principal) repayment method. The half yearly annuity payments of £16,194.75 and £16,062 were made on 19 th September 2023 and 19 th March 2024 respectively. Balance outstanding as at 31 st March 2024 was seen and verified as £105,000.
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Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	Yes	<p>At the meeting of 30th May 2023, full council received and approved the Risk Assessment Documentation for 2023-2024 noting that this covered all risks that would need to be managed by the council to provide assurance that there were no uncertain events or conditions that, should they occur, would affect the council's ability to achieve its objectives. Council is aware that its risk assessment needs to focus on the safety of the town council's assets and in particular its money, and that it needs to demonstrate on an annual basis 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 in order to avoid financial or reputational consequences. The minutes of 30th May 2023 confirm that the risk assessment is a working document which will be kept under review by the Finance and Governance Committee.</p> <p><i>Comment: council has ensured that it has annually reviewed the risks associated with the functioning of a smaller relevant body are assessed and considered, and given its current level of finances, has employed further measures throughout the year to provide assurance to members that there is a robust system in place which is effective and adequate for preventing members from approving or authorising fund transfers that are not supported by appropriate documentation.</i></p>

<p><i>Is there evidence that risks are being identified and managed?</i></p>	<p>Yes</p>	<p>A review of the Council's financial risk assessment documentation shows that there are in place specific control procedures for payments made by direct bank transfer, which, if reviewed on a regular basis, will provide reassurance that the Council has taken steps to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.</p> <p><i>Comment: Council has noted that in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, it should conduct a formal review of its system of internal control and should have in place monitoring documents which would identify the risks involved with and the potential for improvements to its arrangements to protect public money. Council is advised to consider regular reviews by a non-signatory, thereby separating the roles of overview from that of authorisation, of the effectiveness of its system of internal control to ensure that it has mitigation measures in place to address the risks associated with the management of public finances.</i></p> <p>A review of council's generic annual risk assessment confirms that council has evaluated the risk to the properties and assets within its remit of ownership/responsibility and taken steps to ensure appropriate checks (visually as well as contractually) are undertaken regularly/annually by authorised contractors to ensure safety standards are achieved and are in line with current legislation and all relevant certification is up to date. Risks of contamination and decontamination remediation at all of the council's sites form part of the overall risk assessment regime undertaken by the council.</p> <p><i>Comment: council has in place measures that will ensure the unavoidable risks are managed, either by mitigation or appropriate controls such that they are tolerated or treated.</i></p>
<p><i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i></p>	<p>Yes</p>	<p>At year-end (effective 25th February 2024), Council has insurance in place under a Commercial Combined Insurance policy with Aviva Insurance which shows core cover for the following: Public liability:£10million; Products Liability:£10million; Employers Liability: £10million; Commercial Crime (Internal) £2million; Business Interruption (on five premises) £100thousand and Management Liability of £250thousand. Insurance cover is also in place for premises as identified within the schedule. A Group Personal Accident and Business Travel Policy is in place to cover council staff, members and</p>

		<p>voluntary workers of the policyholder (The Town Council) as underwritten by Aviva Insurance.</p> <p><i>Comment: Council has sought guidance on the limitations of the management liability which has a limit of £250,000 and following discussion with its insurers, will undertake appropriate controls to ensure that the council is not exposed to the risks associated with the movement of its funds above the limit imposed by its insurers, covers per transaction. Council is generally aware that best practice states that Fidelity Cover should be sufficient to provide cover that was 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 thereby reducing the council's exposure to the risks associated with the handling of money, securities and property.</i></p> <p>From paperwork seen, it is evident that a review of the insurance took place prior to renewal. However, for clarity and transparency, there is no minute reference to evidence 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 its requirements prior to renewal.</p> <p><i>Comment: council might wish to ensure 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), and has satisfied itself that there are no materials facts which might influence the acceptance or assessment of the risks covered by the policy.</i></p>
<p><i>Evidence that internal controls are documented and regularly reviewed⁴</i></p>	<p>Yes</p>	<p>Confirming that the council is operating within its own internal control, formal evidence (via a minute reference) was given at the meeting of full council on 30th May 2023 that council had formally reviewed the effectiveness of its review as outlined in its Statement of Internal Control Arrangements for the year ending 31st March 2024. The statement was duly adopted. It is confirmed that council's document covers the purpose of the system of internal control; the personnel involved with the internal control regime,</p>

⁴ Accounts and Audit Regulations

		<p>internal and external audit remit, review of effectiveness of internal control along with an action plan to address issues raised within the internal control process. Council has also been mindful to ensure that all payments are carried out with reference to its own Financial Regulations 6, and that reference to online banking for the use of the settlement of accounts is included within the Council's overall Risk Assessment Documentation.</p> <p>A scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered. <i>Comment: in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, council has understood the requirement to undertake a formal review of its internal controls to enable it to demonstrate that it has taken steps to identify, assess and record the control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances.</i></p>
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i>	Yes	<p>In accordance with the Accounts and Audit Regulations 2015, the council formally reviewed the scope and effectiveness of its internal audit arrangements, as well as the competence and independence of those conducting the internal audit review, at the meeting of 26th March 2024. <i>Comment: the review of the terms of reference and effectiveness of internal audit are demonstration that Council has understood that the role of internal audit is to evaluate and report on the adequacy of the system on internal control.</i></p>

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
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⁵ Practitioners Guide

<p><i>Verify that budget has been properly prepared and agreed</i></p>	<p>Yes</p>	<p>The revenue budget for the year 2023-2024 was approved at the Council meeting of 24th January 2023 and was set at £212,681 with the minutes and background papers demonstrating the reasoning for variations to both the budget and the precept and the use of reserves. An explanation was given that the revenue budget was for non-property related projects to be undertaken in line with the council's adopted strategy and that the budget was a working document.</p> <p>The minutes of 31st January 2023 confirm that, following recommendation from the Finance and Governance Committee meeting held on 25th January 2023, council approved a capital budget for council's property and asset portfolio in the sum of £391,500. As income was anticipated as being £274,000 the deficit would be sought from the sale of the Red Cross site. It was noted that the Finance and Governance Committee would monitor the budget throughout the year and take the opportunities to recommend ways in which the deficit could be reduced where possible.</p> <p>The revenue budget for the year 2024-2025 in the sum of £215,531 was approved at the council meeting of 9th January 2024 with members noting that whilst there was the possibility of balancing the budget with a nil increase to the precept due to interest being earned on present balances, this should not be regarded as a long-term solution.</p> <p><i>Comment: in accordance with proper practices, council has evidenced within the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.</i></p>
<p><i>Verify that the precept amount has been agreed in full Council and clearly minuted</i></p>	<p>Yes</p>	<p>The precept for the year 2023–2024 was set at £120,573 at the meeting of 24th January 2023 with the minutes showing that council agreed to a nil increase on a Band D Council Tax dwelling once the adjustments for the 23/24 tax base had been made.</p> <p>The precept for the year 2024 – 2025 was discussed and approved at the meeting of 9th January 2024 and set at £118,551.77. The minutes show that, taking into account movement in the tax base for 23-24, this would represent a nil increase on a Band D Council Tax dwelling over that set for the previous year.</p>
<p><i>Regular reporting of expenditure and variances from budget</i></p>	<p>Yes</p>	<p>A review of the budget including detailed income and expenditure position is reported to Council in accordance with Council's own Standing Orders.</p>

	<p>Evidence was seen of budget report to actual with committed expenditure and funds available breakdown. Expenditure breakdown by heading is provided to the Finance and Governance Committee which ensures detailed information is received for currently funded projects with significant or unanticipated variations submitted to full Council for discussion and agreement for corrective action (where required).</p> <p>Comment: Council continues to show good practice by following the recommended key stages as to the budgetary process to be followed for the year and uses a variety of mediums to facilitate budget reporting on an income and expenditure basis.</p> <p>In accordance with guidance, Council's Officers have ensured that members are able to review and understand how the budget is put together and how it is used by the council for the delivery of its services.</p> <p>Comment: reviewing the budget against actual expenditure and income allows members an early warning about the likelihood of a shortfall (or surplus) and assists then with agreeing or aligning corrective actions.</p> <p>Council continues with the practice of ensuring that virements between budgets are considered by full Council as and when they arise, subject to FR 4.2 which states that "No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</p> <p><i>Comment: council might wish to note the commentary under section 5.27 (A practitioner's guide to proper practices) which clarifies the use of virements as being permitted but not required as they should be used to clarify the current position alongside budget variances arising from unforeseen circumstances.</i></p> <p>The minutes evidence that the Finance & Governance conducted regular reviews for the current year with a review of income and expenditure against</p>
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		<p>budget at relevant periods throughout the year. Monitoring statements produced include detailed breakdown of all receipts and payments received and as balanced against the bank. The terms and reference for the committee ensures that there is delegated governance and management of council's finances with appropriate action being taken/recommended in accordance with budgets set. Formal reviews against the budget are noted by the council.</p> <p><i>Comment: Council continues to show good practice by following the recommended key stages as to the budgetary process to be followed for the year:</i></p> <ul style="list-style-type: none"> • <i>decide the form and level of detail of the budget;</i> • <i>review the current year budget and spending;</i> • <i>determine the cost of spending plans;</i> • <i>assess levels of income;</i> • <i>bring together spending and income plans;</i> • <i>provide for contingencies and consider the need for reserves;</i> • <i>approve the budget;</i> • <i>confirm the precept or rates and special levies; and</i> • <i>review progress against the budget regularly throughout the year (in accordance with council's standing order 17c)</i>
<i>Reserves held – general and earmarked⁶</i>	Yes	<p>The Council, as at year-end, had Earmarked Reserves totalling £1,895,095 and General Reserves of £117,517.</p> <p>Council has, within its own Reserve Policy, (as reviewed and adopted by full council at its meeting in March 2024 with a review due in June 2024) set a limit to be held for its general reserve and is aware that this will be subject to further reviews to include cash flow requirements, inflationary and interest rates, diversification of funds to spread risk and optimize interest returns prior to year-end adjustments to maintain the prescribed level. The adopted policy shows its general reserve is to be calculated to cover a delay in the precept arriving and will usually be considered to be adequate at a level equivalent to six month's net expenditure and that the policy be extended to allow the</p>

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

		<p>council to build sufficient cash general reserves to the equivalent of one year's non-capital related expenditure.</p> <p><i>Comment: Council is aware of the guidance as issued by Proper Practices (March 2023) which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with its general reserve policy. It is still generally held that councils with income and expenditure in excess of £200,000 should plan towards three months equivalent general reserve and that those councils with self-generated income, should take into account situations that may lead to a loss of revenue as well as increased costs.</i></p> <p>Whilst there is no upper or lower limit to EMRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) Council has ensure that they are separately identified and enumerated and that they are held for genuine and intended purposes and their level is subject to regular review and justification.</p>
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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	During the year under review, Council received income from a number of identified sources all of which was banked intact with the transactions identified within the accounting system operated by the RFO. A sample review of the control rents for the market and allotments fees along with associated documentation was undertaken during the internal audit visit and all expected income was found to be based on the correct price, properly recorded and promptly banked with VAT (where appropriate) accounted for.

		Spot checks on further items paid 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.
<i>Is income reported to full council?</i>	Yes	<p>Income received is reported within the financial reports summarizing the Council's receipts and payments as submitted to the Finance & Governance Committee which in turn are reviewed for significant variances to allow council to monitor spending plans ensuring income is fully received and accounted for.</p> <p>In accordance with Financial Regulation 9.3, during the year under review, council carried out the rent reviews of the leases and tenancies associated with the council's property portfolio. Reviews and recommendations into the fees and charges for market rents, allotments and other assets not part of the built portfolio are also reviewed within the remit of the relevant committee's terms of reference. Council's minutes highlight the reviews that have been undertaken and recommendations approved by the council in terms of fees, rents and terms and conditions to be applied.</p> <p><i>Comment: Council has ensured that appropriate control procedures are in place and documentation is in existence to provide a clear audit trail from invoicing through to recovery of all such income.</i></p> <p>The outstanding sales ledger invoices for the period ending 31st March 2024 in the sum of £8,346.92 was seen and verified. The RFO has advised that there are no irrecoverable accounts for consideration as bad debts and appropriate follow up action is in place.</p> <p><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	Council received precept in the sum of £120,573 from East Suffolk Council for the period under review on in April and September as reported to Council. Evidence was provided showing a full audit trail from Precept being discussed and approved to that 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.
<i>If appropriate, are CIL reporting schedules in accordance with the Regulations?⁷</i>	Yes	During the year under review, Council received CIL receipts totalling £2,842.53 (£2015.42 April 2023 & £827.11 October 2023). The RFO maintains 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>Is CIL income reported to the council?</i>	Yes	CIL receipts received are reported within the financial reports submitted to the Finance & Governance Committee, the minutes of such meeting being reported to full council, with further analysis within the CIL Project Lists detailing progress against committee funds.
<i>Does unspent CIL income form part of earmarked reserves?</i>	Yes	The CIL annual report for 2023/2024 is in draft form and shows that there is a retained balance of £32,434.42 which has been transferred into in an Earmarked Reserve specifically allocated, in accordance with the Regulations.
<i>Has an annual report been produced?</i>	Yes	The Annual CIL Statement has still to be presented to full Council for formal approval, but the statement seen during the internal audit review reflects the sums incurred, expended and retained by the council.
<i>Has it been published on the authority's website?</i>	Yes	The Annual CIL Statement will be available to view on the council's website once it has been approved by the council. <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>

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

⁷ Community Infrastructure Levy Regulations 2010

<i>Is petty cash in operation?</i>	N/A	The council does not operate such a system.
<i>If appropriate, is there an adequate control system in place?</i>	N/A	

Section 8 – Payroll controls The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	Yes	Council had 2 employees on its payroll at the period end of 31 st March 2024. Employment contracts were not reviewed during the internal audit visit for the year ending 31 st March 2024, but the Clerk has confirmed that all staff have an employment contract.
<i>Has the Council approved salary paid?</i>	Yes	All salary payments are presented to full Council for approval and payment is made in accordance with Council's Financial Regulations. From the paperwork seen, the National Salary Award 2023/24 applicable from 1 st April 2023 was applied effective January 2024 with backpay payable from 1 st April 2023 as approved by full council at its meeting of 28 th November 2023. <i>Comment: Council ensures that there are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.</i>
<i>Minimum wage paid?</i>	No	None of council's employees are paid the national minimum wage.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	Cross-checks were completed on a sample of items each of salary, PAYE and pension contributions and these were all found to be in order. Salaries are paid in accordance with contracted hours worked. Gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate and also with the contracted hours.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on

		payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	Yes	Council is aware of its pension responsibilities and payments are made in accordance with timescales agreed with the Council's Pension Provider. Both members of the Council's Staff are enrolled within the Council administered Pension Schemes (Local Government Pension Scheme Trust).
<i>Have pension re-declaration duties been carried out</i>	Yes	Council's re-declaration of compliance with regards to re-enrolment was seen and verified as having been submitted and accepted by the Pension Regulator on 17 th November 2022.
<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 staff expenses claimed are approved in accordance with Council's Financial Regulations. Within the annual budget set for 2023-2024 is the sum of £1,000 a sum for the Chair's Allowance. Expenditure incurred totalled £900 for the year under review. <i>Comment: Council is aware that section 15(5) of the LGA 1972 provides that Parish (and Town) Councils may for its Mayor (or Chair) "for the purpose of enabling them to meet the expenses of their office such allowance as the council think reasonable".</i>

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](#)

<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?⁹</i>	Yes	<p>The Asset Register covers those items listed under insurance and within the town council's remit for maintenance and ownership. The Asset Register currently stands at £5,378,375 and shows overall movement to that declared at the year-end of 31st March 2023 taking into account acquisitions and disposals during the year under review. The internet copy of the Asset Register was reviewed by the Internal Auditor to allow the spot check to be conducted.</p> <p><i>Comment: the RFO has ensured that the council has a formal asset register which is routinely updated to record new assets at historic cost price, net of VAT along with removal of any assets disposed of / no longer serviceable.</i></p>
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	<p>The Asset Register details assets held by the council which have been defined as Fixed Assets and will form the basis of Box 9 of the Annual Governance and Accountability Guide taking into account the asset value reported as at 31st March 2023 adjusted for the nominal value of any new acquisitions and/or disposals/deletions.</p> <p>Where assets have been gifted or where there is no known value, assets have been given the proxy value of £1. This value has also been applied to community assets, which, in accordance with guidance, are treated in the same manner as gifted assets.</p> <p><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>
<i>Are records of deeds, articles, land registry title number available?</i>	N/A	Records of deeds, articles, land registry title number were not reviewed during the internal audit review.
<i>Are copies of licences or leases available for assets sited at third party property?</i>	N/A	Council has not declared that it has assets located on third party property.
<i>Is the asset register up to date and reviewed annually?</i>	Yes	The asset register is still to be signed off by the council but the values on the Asset Register seen on the website equal that detailed at Line 9 on the

⁹ Practitioners Guide

		<p>DRAFT Accounting Statements of the AGAR (£5,378,375). The council has used the preferred value for exiting assets as the original acquisition cost and has ensured that the fixed asset value for any individual item will not usually be altered from year to year (unless a material enhancement has taken place). As such the change in the total value for fixed assets (in box 9 of the Council's accounting statements) indicates the acquisition and disposal of assets of significance.</p> <p><i>Comment: in accordance with the Practitioners' Guide, Council's Officers have ensured that the most appropriate and commonly used method of fixed asset valuation is at acquisition cost and have ensured that the asset will not change from year to year unless it is materially enhanced.</i></p> <p><i>Comment: Commercial concepts of depreciation, impairment adjustments and revaluation are not appropriate for this method of asset valuation.</i></p>
Cross checking of insurance cover	Yes	<p>The Asset Register was reviewed during the Internal Audit Visit and a spot check of assets against the insurance schedule was undertaken to ensure that all assets are recorded appropriately and under insurance. Council has insurance under all risks cover for its assets as specified under the headings on the insurance schedule including furniture, fixtures and fittings at the premises listed on the insurance schedule.</p> <p>Council has ensured that its asset inventories are updated and reviewed annually with a replacement value for inventory items as well as for relevant fixed asset items. This will necessitate regular reviews as to the insurance valuation set each year to ensure insurance levels remain relevant to the inventoried items.</p>

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
Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	Yes	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances within the

		<p>detailed financial reports submitted to both full council and the Finance and Governance Committee. Under delegated powers, the Finance and Governance Committee review and approve the month-end management accounts and bank reconciliation which is signed off by the Chair of the Committee.</p>
<p><i>Do bank balances agree with bank statements?</i></p>	<p>Yes</p>	<p>Bank balances as of 31st March 2024 agree with the year-end bank statements and at year end stood at £2,249,079.02 across the accounts held in the town council's name.</p> <p>Southwold Town Council currently holds investments with The Public Sector Deposit Fund with the average yield being 5.23%; Lloyds Bank (32 Day Notice); Lloyds Bank (Business Instant; Business Account and Fixed Term Deposit Account).</p> <p>Council's adopted investment strategy, defines the authorisation, investment reports and responsibility as follows: the Responsible Financial Officer, in consultation with the Finance and Governance Committee will determine the maximum periods for which funds may be prudently committed so as not to compromise liquidity and make recommendations to council. The investment position will be reviewed annually by the Responsible Financial Officer and reported to the Finance and Governance committee. Investments may be made through Deposits with UK banks, UK building societies, UK local authorities or other UK public authorities or UK FCA regulated qualifying money market funds with a triple A rating. The choice of institution and length of deposit will be by the approval of the council.</p> <p>Councils investment policy notes that long term investments are defined as greater than 12 months and that, should it wish to invest for periods greater than 12 months, it must identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums. The Investment Strategy is reviewed annually by the Finance & Governance Committee and approved by full Council before the commencement of a new financial year.</p> <p><i>Comment: council is aware that proper practices defines long-term investments as being for more than 12-month terms and must be reported as Assets in the AGAR at section 2, line 9.</i></p> <p>At its meeting of 13th September 2023, council, mindful that under statute it is required to maintain adequate financial reserves to meet its needs,</p>

		reviewed its adopted Investment Policy with the aim of investing further monies into the CCLA public deposit fund to achieve a greater financial return on balances. In accordance with council's own Investment Policy & Procedures, authorisation for funds to be prudently invested into the fund was given to the Finance committee members, amount to be determined by the committee once a full cashflow had been drawn up. Following further investigatory work, the Finance committee sought approval at the full council meeting of 26 th September 2023 for a maximum of £2million to be transferred into the CCLA deposit fund. Such approval was forthcoming dependent upon the Finance committee carrying out an assessment of cashflow requirements prior to the deposit of the funds. At year-end the balance invested is £2,075,634.56.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	<p>Detailed balanced sheets along with detailed profit and loss account reports are also submitted in accordance with the timescales prescribed within Council's Standing Orders and form part of the minutes that are retained in hard copy by the council. Council has followed good practice by ensuring that the reconciliation of the cash book to bank statements is reported to members, and the full reconciliation made available for scrutiny each time it is done. Approval of the bank reconciliation by the authority or the chair of the committee or another authority nominee is not only good practice but is also a safeguard for the RFO and will fulfil one of the authority's internal control objectives.</p> <p><i>Comment: 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 which aids decision-making, particularly when there are competing priorities.</i></p>

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

<i>Are appropriate accounting procedures used?</i>	Yes	The Internal Auditor confirms that having reviewed the year-end files, there is a full underlying financial trail from financial records to the accounts produced.
<i>Financial trail from records to presented accounts</i>	Yes	<p>The RFO has ensured that the Council's accounting software contains and records details on its assets and liabilities including the asset and investment register and other debts. The accuracy of the year-end bank reconciliation detail is verified along with the correct disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.</p> <p>Year-end balances agree with cash book and bank reconciliations:</p> <p>Debtors: £9,347 Other Debtors: £2,685 VAT Account: £82,366 Prepayments: £27,078 Bank Accounts: £2,249,079 less Creditors: £89,220 Accruals: £268,723 Represented by: Total Reserves: £2,012,612</p>
<i>Has the appropriate end of year AGAR¹⁰ documents been completed?</i>	Yes	<p>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. Section 2 - Accounting Statements of the AGAR were completed and signed by the RFO at the time of Internal Audit.</p> <p>It should be noted that given its level of income, the Council meets the requirement for an intermediate level review. Details of the additional submission requirements for those meeting this level of review can be found within the Detailed Instructions Update for the year ending 31st March 2024.</p>
<i>Did the Council meet the exemption criteria and correctly declared itself exempt?</i>	N/A	As the Council was a smaller authority with gross income and expenditure exceeding £25,000 during the year 2022/2023, it was not able to certify itself as an exempt authority.
<i>During the period in question did the small authority demonstrate that it correctly provided for the exercise of</i>	Yes	The internal auditor is able to confirm that the notice of the public rights was seen on the website and can confirm that the dates set were 12 th June to 21 st July 2023. Within the Annual Internal Audit Report, internal control

¹⁰ Annual Governance & Accountability Return (AGAR)

<p><i>public right as required by the Accounts and Audit Regulations 2015?</i></p>		<p>objective test M requires the internal auditor to establish whether the town 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 has been 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.</p> <p><i>Comment: Council might wish to note that, to positively demonstrate that it has provided for the exercise of elector's rights and that the dates set are in accordance with the period specified within the Accounts and Audit Regulations 2015, it is advised to not only publish the dates set but to also record in the minutes the agreed dates. Evidence of the proper provision for the exercise of the public rights is usually by means of publication of the supplied form on the Council's website as well as a minute reference at the meeting at which the RFO confirms the dates set.</i></p>
<p><i>Have the publication requirements been met in accordance with the Regulations?¹¹</i></p>	<p>Yes</p>	<p>Following a review of the documentation on the Council's website, the internal auditor is able to verify that the following are to be found on the Council's website, published in accordance 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 31st March 2023:</p> <ul style="list-style-type: none"> Annual Internal Audit Report of the AGAR 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 Notice of Conclusion of Audit Section 3 – External Auditor Report and Certificate Sections 1 and 2 of the AGAR as audited. <p><i>Comment: Council has also noted best practice which states that the Annual Internal Audit Report (page 3 of the AGAR) should also be published. This is to avoid any potential confusion by local electors and interested parties.</i></p>

¹¹ Accounts and Audit Regulations 2015

Section 12 – internal audit The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	Yes	The narrative Internal Audit Report and the Annual Internal Audit Report from the AGAR for the year ending 31 st March 2023 were considered and accepted by full council at its meeting of 30 th May 2023. The minutes of 27 th June 2023 demonstrate that council further considered the report and the recommendation from the Finance and Governance Committee in relation to its review of the narrative report and the matters arising therein.
Has appropriate action been taken regarding the recommendations raised?	Yes	<p>There was one recommendation made within the internal audit for further consideration:</p> <ol style="list-style-type: none"> 1. Temporary extension to the liability cover for electronic transfers of money whilst the works associated with 25 Market Place and Station Road Redevelopment Construction Contract are ongoing. <p>The minutes of 9th June 2023 (Finance and Governance Committee) demonstrate that a £500k limit was agreed to be requested to the expiry of the policy following its review of the narrative report.</p> <p><i>Comment: council has taken action to resolve this issue and will be enacting the recommendations of its insurers (due diligence) to ensure that the £250k limit is adhered to.</i></p>
Has the Council confirmed the appointment of an internal auditor?	Yes	<p>Suffolk Association of Local Councils was appointed to act as the town council's independent internal auditor for the year 2023-2024 at the meeting of 30th May 2023. At the same meeting, council confirmed that the work covered by SALC would provide assurance that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective.</p> <p><i>Comment: Council has understood that it should have in place a formal process of engagement detailing roles and responsibilities for internal audit,</i></p>

		<i>audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i>
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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?¹²</i>	Yes	<p>The External Audit Report and Certificate for the year ending 31st March 2023, was received and considered by full council at its meeting of 31st October 2023.</p> <p><i>Comment: Council has noted the provisions of Regulation 20 (in part) of the Accounts and Audit Regulations 2015 which states that once the annual audit letter is received from the auditor, the members of the authority (not a committee) must meet to consider that letter as soon as reasonably practicable.</i></p>
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	<p>There were no matters which came to the attention of the external auditor that gave cause for concern that relevant legislation and regulatory requirements that have not been met.</p> <p>The Internal Auditor is able to verify that the external auditor report and certificate along with the audited accounts, internal audit report and conclusion of the external audit have been published on the Council's website. Details as to how copies may be purchased have also been included.</p> <p><i>Comment: Council has complied with the Regulation 16 of the Accounts and Audit Regulations 2015, and demonstrated that it is aware that, as soon as it is reasonably practical after the conclusion of the audit, it should publish a statement saying that the audit has been concluded, giving the details of the public's rights of inspection under section 25 of the 2014 Act (Local Audit and</i></p>

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.*

		<i>Accountability Act 2014) and saying where and when those rights may be exercised.</i>
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Section 14 – additional information The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> ¹³	Yes	Council held its Annual Meeting of the council at which the Chair (Mayor) and other Officers were elected on 17 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	Yes	In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the loose-leaf minutes and associated documents of the town council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence. During the year under review, at each meeting the Council has approved the minutes and given further approval for the minutes to be signed at the meeting.
<i>Is there a list of members' interests held?</i>	Yes	Evidence was seen on East Suffolk Council's website of the Register of Interests for all current town councillors with access gained as a direct link from the council's own website. At the meeting of 30 th May 2023 Council resolved to re-adopt the Model Councillor Code of Conduct 2020 with changes in line with the Local Government Association (LGA) Model Template for the purposes of discharging its duty to promote and maintain high standards of conduct within its area. <i>Comment Council has also noted guidance that the Code, once adopted, should be published on the Council's website.</i>

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>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	<i>None held</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>Yes</i>	<p>Council, during the year under review, has ensured compliancy with the minimum datasets that should be published on a quarterly basis as per the requirements as set out in the Local Government Transparency Code (2015), with a range of documents relating to the current year being able to view on the Council's website.</p> <p>For Southwold Town Council, the transparency code requirements include the publication of quarterly reporting of spending transactions valued over £500; quarterly reporting of invitation to tender for contracts over £5,000; quarterly publication of details of every transaction on a government procurement card; the annual reporting of organisational charts; annual reporting of all grants made to voluntary, community and social enterprise organisations and the annual reporting of the location of public land and assets.</p> <p><i>Comment: Appendix A of the Local Government Transparency Code 2015 (published February 2015) provides further details of all information to be published along with relevant timescales.</i></p> <p><i>A link to the guide can be found at:</i></p> <p>https://www.gov.uk/government/publications/local-government-transparency-code-2015</p>
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	<i>Yes</i>	<p>The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.</p> <p>The Freedom of Information Act requires every public authority to have a publication scheme, approved by the Information Commissioner's Office (ICO), and to publish information covered by this scheme. Council has such a scheme, which sets out the Council's commitment to make certain classes of information routinely available, such as policies and procedures, minutes of meetings, annual reports and financial information. The scheme is readily available to view on the council's website and was reviewed at the full council meeting in June 2023.</p>

¹⁵ Data Protection Act 2018

<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Council has taken active steps to ensure compliancy with the GDPR requirements and has reviewed its GDPR Policies during the year ensuring that at all times it is able to 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. Appropriate Data Protection policies and procedures are in place along with the lawful basis for the processing of data covered by the regulations as well as policies that deal with the effective management of its records thereby demonstrating that the Council has acted in compliance with its legal and regulatory obligations. The Council's Data Protection and Data Retention Policies, which were able to view on the website, details the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party. The Privacy Policy on the town council's website covers the framework that the public can expect for dealing with requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	Yes	The Regulations of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 was enacted on 23rd September 2018. The regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities. Council's Accessibility Statement details how information will be produced on a website and how to gain access to content that is readily accessible to view as well as detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	Yes	Council has a .com domain for its council website which also supports a secure and digitally managed email system. Council has also adhered to the guidance contain within proper practices which recommends that councils

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

		<p>should provide official email accounts for their councillors as well as their clerk and other officers.</p> <p><i>Comment: in accordance with guidance issued, the Clerk / RFO has ensured that they are able to add and remove member and staff email accounts via the Council's nominated IT company. The centralised system will provide effective compliance with GDPR subject access requests and freedom of information requests.</i></p>
<i>Is there evidence that electronic files are backed up?</i>	Yes	<p>Council's day to day records are automatically daily backed-up to a cloud-based secure system.</p>
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	<p>A copy of the terms of reference under which the Council and its Committees operate can be seen on the Council's website.</p> <p><i>Comment: as council does not appear to have reviewed the terms of reference for its standing committees during the year under review, it might wish to carry out such a review during the current year to ensure that each committee is operating is functioning within the parameters of its remit.</i></p>
<p><i>The Internal Auditor offers her appreciation for the assistance given by the Town Clerk in completing this audit.</i></p> <p><i>Council has continued to maintain effective governance arrangements and can show evidence of strong governance and good financial practice. The internal audit review, undertaken on the documentation provided during the visit to the council's offices as well as from that found online via the council's website, has provided evidence of the overall adequacy of the financial arrangements in place within the council.</i></p> <p><i>For further information on the changes to Proper Practises for the year effective 1st April 2024 please refer to Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2024.</i></p>		

Signed: *Victoria S Waples*

Date of Internal Audit Visits: 6th June 2024

Date of Internal Audit Report: 7th June 2024

On behalf of Suffolk Association of Local Councils