Etaerio Ltd

Annual Internal Audit Report

for

Flamstead Parish Council

for the financial year ended
31 March 2025

'Legacy Programme'

Auditor:	*Philip Rhoden*
Internal Audit Date:	*During May & June 2025 off-site*
Report Date:	*16/06/2025*
Financial Year:	*2024/25*

Schedule of Recommendations

Client: Flamstead Parish Council
Y/E: 31 March 2025

Recommendations generally reflect proper practices from the 'JPAG Practitioners' Guide' for smaller authorities & external auditor-issued guidance over the years.

	Control	Recommendation(s)
1	Proper bookkeeping.	None.
2	Standing Orders and Financial Regulations adopted and applied; and payments controls.	NALC updated its Model Standing Orders in March 2025. I recommend that the council's Standing Orders be updated to reflect this (e.g. to reflect that the Public Contracts Regulations 2015 (which replaced the Public Contracts Regulations 20006) have been revoked). I understand that the HSBC Charitable Bank Account may offer 'dual control', allowing one person to create an online payment and another to authorise it online. I recommend that this be considered by the council. Failing this, a number of members could be given read-only access to have independent access to be able to view the bank account online. I recommend that payments lists approved at meetings include the last day covered by the previous payment list, so that payments made on that day, after the previous list has been generated are included (noting that some duplication may result). I understand that there are issues making it not possible to log into the BT account for the Pavilion wifi to download invoices (payments are being made by direct debit). I recommend that efforts to resolve this with BT be continued. I recommend that as part as the process of approving the monthly payment lists, it be checked that the e-signature validation has been successfully saved with the document.
3	Risk management arrangements.	I recommend that the council seeks advice in relation to minute ref 4/2024/10 from HAPTC.
4	Budgetary controls.	None.
5	Income controls.	None.
6	Petty cash procedures.	Not applicable.
7	Payroll controls.	I recommend that any new contracts of employment be based on the latest NALC template. I understand these are available from HAPTC. I recommend that the council seeks confirmatory advice in relation to minute refs 5/2024/20; 6/2024/15; (including re the relevant tax treatment) from HAPTC in the first instance. A sample item representing a small item of council expenditure paid on behalf of the council by a member was on the payment list signed off by the same member. As this is currently the primary authorisation control, I recommend that as a general process point, a different member signs off the payment list under these circumstances. I recommend that the payroll entries for month 12 2023/24 (paid at the beginning of April) be checked, as there appears to be a small difference between the payroll schedule and the cash book.
8	Assets controls.	I recommend that it is good practice for the method of asset valuation adopted (policy) for the valuation of assets included in the AGAR to be formally recorded in the council's minutes and in the asset register. Although not mandatory, the Practitioners' Guide recommends that the asset register includes useful life estimates.
9	Bank reconciliation.	None.
10	Year-end procedures.	None.
11	Exempt authority	Not applicable.
12	Website information	It is a requirement of the Freedom of Information Act that public bodies publish certain information on their website. I recommend that the council publishes a 'Guide to Information' on its website using the ICO template for parish councils, and including the council's schedule of fees and a link to the ICO Model Publication Scheme. I understand that preparation of this is in progress.
13	Public rights	None.
14	AGAR Publication Requirements.	None.
15	Responsibility as a sole managing trustee.	Not applicable.
16	Basic IT controls.	I recommend that the council continues its transition to using its clerk@flamsteadparishcouncil.gov.uk e-mail address. I recommend that if not already the case, the council considers encrypting any data still stored on the previous clerk's laptop and on its general USB backup media, (e.g. using Windows Bitlocker), making suitable arrangements in relation to the password. If/when the previous clerk's laptop is to be disposed, I recommend that this be approved by the council, and any data on it or other storage media that are no longer used be securely deleted.

Expected AGAR Section 2 Numbers Following Internal Audit

Client: Flamstead Parish Council
Y/E: 31 March 2025

		31 March 2025 £
1	Balances brought forward	128,042
2	(+) Precept or Rates and Levies	40,773
3	(+) Total other receipts	42,292
4	(-) Staff costs	23,381
5	(-) Loan interest/capital repayments	10,000
6	(-) All other payments	44,649
7	(=) Balances carried forward	133,077

8	Total value of cash and short-term investments	133,077
9	Total fixed assets plus long-term investments and assets	382,622
10	Total borrowings	-

Annual Internal Audit Report 2024/25

FLAMSTEAD PARISH COUNCIL

flamsteadparishcouncil.gov.uk

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. This internal audit objective is not applicable			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. **If** the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")*			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. Guide to information not included, council to review		✓	
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations *(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).*	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		

	Yes	No	Not applicable
O. **(For local councils only)** Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: Off-site during May & June 2025

Name of person who carried out the internal audit: ETAERIO LTD

Signature of person who carried out the internal audit: P.K. Rhoden PHILIP RHODEN, DIRECTOR

Date: 16/06/2025

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).