Etaerio Ltd

Annual Internal Audit Report

for

Flamstead Parish Council

for the financial year ended
31 March 2024

'Legacy Programme'

Auditor:	*Philip Rhoden*
Internal Audit Date:	*6/06/2024 and offsite*
Report Date:	*14/06/2024*
Financial Year:	*2023/24*

Etaerio Ltd

Schedule of Recommendations

Client: Flamstead Parish Council
Y/E: 31 March 2024

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.	A purchase invoice (payment dated 5Dec23; coded to account code 4302) within the sample tested was not addressed to the council. I recommend that the supplier be contacted to reissue the invoice made out to the council. The council's Standing Orders specify that the Financial Regulations be reviewed annually. The Financial Regulations were last reviewed in September 2021. I recommend that the Financial Regulations be reviewed, noting that NALC released new model financial regulations in April 2024.
3	Risk management arrangements.	None.
4	Budgetary controls.	None.
5	Income controls.	None.
6	Petty cash procedures.	Not applicable.
7	Payroll controls.	None.
8	Assets controls.	As already noted in the minutes I recommend that the council puts in place a written agreement re the loan made to the preschool, ideally including signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt. 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. Guidance in the 2024 Practitioners' Guide has been updated in relation to asset registers compared to the 2023 version. I recommend that when the asset register is next reviewed that the updated guidance be considered, including 5.58.
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 considers encrypting the data still stored on its laptop and on its general USB backup media, (e.g. using Windows Bitlocker), making suitable arrangements in relation to the password.

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FLAMSTEAD PARISH COUNCIL

flamsteadparishcouncil.gov.uk

During the financial year ended 31 March 2024, 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 2023/24 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 2022/23, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2022/23 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 2023-24 AGAR period, were public rights in relation to the 2022-23 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 2022/23 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: 06/06/2024 DD/MM/YYYY DD/MM/YYYY

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: 14/06/2024

***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).