HERTFORDSHIRE IAS

Internal Audit Report 2023/24

(To be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Flaunden Parish Council		
Name of Internal Auditor:	Peter Evans	Date of report:	6/5/2024
Year ending:	31 March 2024	Date audit carried out:	2/5/2024

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:
I met Jack Debnam at his property to carry out the internal audit on 2nd May 2024. It is noted that the Clerk is a volunteer so there is no formal contract.

It is noted that Flaunden have a new website which is really good.

I have completed the 2023/24 Annual Internal Audit Report and have completed as yes boxes, A, B, C, D, E,H,I,J,K,L,M,N.

I have stated as 'not covered' the following.

- Box F -- because there is no petty cash.
- Box G – there are no staff employed by the council.

General

The Clerk has a wonderful system for the accounts, but for succession planning the council may wish to consider purchasing an appropriate accounting software.

A. Appropriate accounting records have been kept throughout the Year.	**YES/NO**

It is noted that the accounts are held on a spreadsheet, which Jack as a former accountant is well versed in its workings.

B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	**YES/NO**

The Financial Regulations were reviewed in May 2023. I checked the invoices for March, June and September 2023 and these have been checked by councillor (one – two would be ideal).

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	**YES/NO**

The financial risks have been reviewed.

D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate.	**YES/NO**

The council set the budget in January 2024. It was minuted that the budget and precept has been agreed. However, the Audit Regulations state that the process should be.

- That the budget figure should be agreed (would be useful that this figure is minuted).
- That the council looks at its reserves and these are taken into account when the precept is set.
- The precept figure should also then be set and minuted.

Action: That the council in 2025 will.

a) **That it agrees and minutes the budget figure.**
b) **That the council considers its reserves, and these are taken into account when the precept is set.**
c) **That the precept figure is then set and minuted.**

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	YES/NO (Precept income)

Precept only.

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	YES/NO/NA

G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	YES/NO/NA

H. Asset and investment registers were complete and accurate and properly maintained.	YES/NO

It is noted that the council has taken up an investment in CCLA. This is shown in the November 2023 minutes.

I. Periodic bank reconciliations were carried out throughout the year.	YES/NO

Bank reconciliations are carried out by the clerk and then all information is sent to a councillor for checking.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	YES/NO

It is noted that the council does check the performance of the council against the budget set.

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	YES/NO

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	**YES/NO.**

It is noted that the meeting in September 2023 was inquorate, but it appears that the meeting carried on. It should be stopped and the business on the agenda carried forward to the next meeting.

M. The authority has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations.	**YES/NO**

At the Annual meeting in May 2023, although the public rights document was agreed, the dates of the public rights was not minuted and also the date on the document is some time after the meeting where this was discussed.

N. The authority complied with the publication requirements for the prior year AGAR.	**YES/NO**

O. Trust funds (including charitable) - the Council has met its responsibilities as a trustee.	YES/NO/**NA**

Yours sincerely,

Peter Evans PSLCC
Internal Auditor to the Council
07929 791331
Pe140814@gmail.com

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	14115	18413
2. Annual precept	5757	6164
3. Total other receipts	9731	6156
4. Staff costs	0	0
5. Loan interest/capital repayments	0	0
6. Total other payments	11190	10519
7. Balances carried forward	18413	20214
8. Total cash and investments	18712	21370
9. Total fixed assets and long-term assets	15643	15663
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2022)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from: