HERTFORDSHIRE IAS

Internal Audit Report

(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:	29/4/2026
Year ending:	31 March 2026	Date audit carried out:	23/4/2026

To the Chairman of the Council:

I met Jack Debnam at his property to carry out the internal audit on 23rd April 2026. It is noted that the Clerk is a volunteer so there is no formal contract, something that the council may need to precept for in future as part of succession planning (the next Clerk may wish to be paid).

I have completed the 2025/26 Annual Internal Audit Report and have completed as yes boxes, A, B, C, D, E, H, I, J, K, L, M & N.

I have completed as 'No' the following boxes;

- Box O – There is no evidence of a 'Data Audit' or any training for staff and councillors on data protection. Although the new website provider has provided a 'Website Accessibility Statement' this has not been reviewed by the council.

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.

I have marked Box 'P' as N/A as the council has no charities.

General

The Clerk has a wonderful system for the accounts. I note that the council has a new website which I used to find most documents.

A. Appropriate accounting records have been properly kept throughout the Year.	**YES**

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**

The Financial Regulations were reviewed in July 2025, following comments made in the 2025 internal auditors report.

I checked the invoices for May & November. The Clerk checks them for accuracy before sending them on electronically to two councillors to approve. The e-mail reply from councillors is kept electronically and I was shown a sample of these. VAT is claimed once a year and the 2024/25 account was checked and received in 2025/26.

It is also noted that the Clerk sets up the payments, and these are agreed at the meeting. Two signatories authorise the payment on-line at Unity Bank. However, one of those authorising the payments is normally the Clerk who has been made a cheque signatory.

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	**YES**

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 were appropriate.	**YES**

It is noted that the budget was considered between October and January 2026, this was agreed although the figure is not mentioned stated, just reference to the report. Then the council considered its reserves, and these are taken into account when the precept was set. The precept figure was then set, however the figure was not minuted, although I did see the precept demand sent to the district council which equates to the budget figure.

Action: in the 2027, budget/precept setting process state the figure in the minutes for transparency purposes.

The budget progress is considered at the council meetings.

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	**YES**

F. Cash payments were properly supported by receipts, all cash expenditure was approved, and VAT appropriately accounted for.	**N/A**

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.	**N/A**

It is noted that the Clerk is a volunteer and no other staff are employed.

H. Asset and investment registers were complete and accurate and properly maintained.	**YES**

All present and reviewed.

I. Periodic bank reconciliations were properly carried out throughout the year.	**YES**

Bank reconciliations are carried out by the clerk and then all information is sent to an independent 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**

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 2024/25, it met the exemption criteria and correctly declared itself exempt.	**YES**

This is correct; however, it is noted that in 2025/26 the council will be over this figure.

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**

The website has the documents available online for a member of public to be informed as to what business is being discussed at the meeting, plus a very good PowerPoint from the clerk on his report.

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit regulations.	**YES**

N. The authority complied with the publication requirements for the 2024/25 AGAR.	**YES**

O. The authority has complied with laws, regulations and proper practices resulting to digital and data compliance.	**NO**

Assertion 10 is a new category for all councils to review and determine for audit year 2025/26. The statutory requirements are not new but have been separated out to offer greater clarity. Compliance with Assertion 10 should be assessed by council using the 2025/26 Practitioners Guide.

In addition, to ensure this area is audited Internal Auditors have been provided with a new control category 'O' which has unfortunately been omitted from the Internal Audit guidance section of the Practitioners Guide for 2025/26. This year I have assessed your council on the basic requirements working with appropriate proportionality to determine compliance. Council must ensure that full reference is made to all sections of the Practitioners' Guide for 2026/27 to ensure compliance to the enhancements for 2026/27.

During the year the council did carry out a number of actions to meet these new requirements, however there is no evidence of a ‘Data Audit’ (although the Clerk has informed me that this is regularly carried out), or any training for staff and councillors on data protection (again the clerk informed me that the councillors are aware of this especially within their roles outside of the council). Although the new website provider has provided a 'Website Accessibility Statement' this has not been reviewed by the council. The clerk stated that this was reviewed when the website was set up, but there is no minute to state that.

Action:

- **i) Council/Clerk to minute that a data audit has been carried out.**
- **ii) Council to minute that there has been Data Protection training for all.**
- **iii) Council to review the website accessibility statement.**

P. Trust funds (including charitable) - the Council met its responsibilities as a trustee.	**N/A**

Yours sincerely,

Peter Evans
Internal Auditor to the Council
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The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2025)*. 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.