Internal Audit on Flax Bourton Parish Council accounts

of the 2024-25 financial year.

Name: Olga Shepherd, Clerk and Responsible Financial Officer to Combe Hay Parish Council

On Behalf of ALCA Internal Audit team

Date: 18 April 2025

Acting independently, I have carried out an Internal Audit of the policies and practices of Flax Bourton Parish Council, in order to enable a positive response by the relevant assertion in Section 2 of the Annual Return for the year ending 31 March 2025.

I have carried out the checks detailed in this report, in order to provide assurance that the Parish Council's systems of internal control, assessment of risk and financial management and accounting are in place and that they are adequate in protecting the use of public money.

The current Clerk of Flax Bourton Parish Council has recently joined the Council and has kindly provided a detailed pack of related documents for the Audit. The majority of the required documents are available of the Flax Bourton Gurney PC website.

Conclusions and recommendations:

Based on my review of the year's accounts, I can confirm that Council's resources have been managed, controlled and reported in accordance with the Council's approved control procedures and budgets. I am pleased to record that no issues have been identified in this area. However, there are some recommendations arise from this audit:

It is noted that robust corporate governance and procedures are in place, however, the Standing Orders were last reviewed in 2023. The Clerk informed me that the latest version, which was published by NALC last month is due to be reviewed by the Council at the next meeting.

The Risk Assessment, the Asset Register and the Financial Regulations, which must be reviewed annually, will be updated at the next meeting and recorded in Minutes.

Internal control objective	**Action undertaken**		**Internal Audit observations**
Confirm that the Parish Council has adopted and recently reviewed Financial Regulations	*Check that there are a set of Financial Regulations (in addition to those in the Standing Orders).* *Check the date of their adoption and that there was a record made in the minutes* *Check that the most recent review date was within the current financial year*		Financial Regulations was last approved in March 2023.
Check that the council's Financial Regulations are being routinely followed by tracking some sample payments You will be provided with all invoices, receipts, bank statements, cheque stubs, receipt books and petty cash (vouchers and reconciliation) in order to do this.	*Chose an appropriate number of sample payments made at different times throughout the financial year and track them from resolution in the minutes through to the payments being made*		Sample payments throughout the financial year checked and tracked to resolutions in the minutes.
All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted	*Check the minutes* *Compare the bank statement against (bi)monthly financial statement to council*		Copies of scanned signed payment schedules provided by Clerk. Monthly payment schedules published on agenda and approved payments listed in minutes. Periodic bank reconciliations, account statements and payments

			schedule provided to the council for approval and it is recorded in Minutes.
Confirm that each payment has been signed by two councillors, who also initialled the cheque stub & that the cheque signing councillors also initial the invoice	Adapt to the Local Councils own practices as detailed in their Financial Regulations e.g. electronic banking must have adequate controls comparable to the two signature rule		Clerks provided selection of invoices – all of them ok.
Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit	*You will need to check the number of the electors in the parish and times this figure by the annual financial limit -* ***2024 – 25 £10.81 per elector***		No payments under S137 were made under this heading

Confirm that quarterly checks of the accounts are made by a councillor not on the finance committee / group	Check the minutes to ensure this was recorded and reported / minuted at a council meeting		The financial reports and schedules of payments circulated by the Clerk, reviewed by the Cllrs and recorded in minutes.
Check the statement of accounts according to the format included in the Annual Return form. Check that the statement of accounts was approved and signed by the Responsible Financial Officer and the Chairman of the meeting approving the statement of accounts.	*The statement of accounts should be accompanied by:* *a) a copy of the bank reconciliation for the relevant financial year,* *b) an explanation of any significant variances (e.g. more than 10-15 percent, in line with proper practices) in the statement of accounts for the relevant year and previous year* *c) an explanation of any differences between 'balances carried forward' and 'total cash and short-term investments', if applicable.*	**Website** Transp. Code	The Clerk has prepared and provided the Accounting statement together with the cashbook, bank reconciliations for 31 March 2024 and 31 March 2025.
Check the Annual Governance Statement	*According to the format included in the Annual Return*	**Website** Transp. Code	Approved AGAR on the website. Detailed in 13th May 2024 minutes. AGAR for 2024/25 has been prepared and Annual Governance Statement to be approved at the next meeting of the Parish Council.

Review the Assets Register and insurance policies, confirm renewal has taken place (i.e. paid) & make a note of each coverage limit	• *Public liability* • *Employers liability* • *Council assets* • *Fidelity Guarantee Insurance (To cover employee dishonesty)*		Asset register has been updated and is due to be approved at the next meeting. Insurance in place, expiry date 31 May 2025. Available on website.
Check the details of public land and building assets	*a) description (what it is, including size/acreage),* *b) location (address or description of location),* *c) owner/custodian, e.g. the authority or board manages the land or asset on behalf of a local charity,* *d) date of acquisition (if known),* *e) cost of acquisition (or proxy value), and* *f) present use.*	**Website** Transp. Code	The Parish Council own no public land.
PROCESSES			
Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months	*Check the date of adoption. Also that the last review date is within the past year and recorded in the minutes*		the Standing Orders was last reviewed in June 2023 meeting. The latest NALC version to be reviewed at the next meeting
Check the draft minutes of the last meeting(s) are on the council's website		**Website** Transp. Code	Draft Minutes of 10 March 2025 meeting are posted on the website. All previous approved

Check that the minutes of previous meetings are the approved version and that the draft copies have been removed			Minutes replaced Draft versions.
Check that agendas for meetings are published (bi)monthly and giving 3 clear days notice	*The agenda currently on the website may be for a past date - as long as it is not more than a week older than when the last meeting took place, it still demonstrates routine posting*	**Website** Transp. Code	OK.
Confirm that the Parish Council is compliant with the Data Protection Act 1998 and that plans are being put in place to comply with GDPR 2018	*Check that there is a policy document and resolution to comply recorded in minutes*		Data Protection Policy documents available on the website.
Confirm that the Parish Council is compliant with the Freedom of Information Act 2000	*Check resolution to comply recorded in minutes* *Check the log of FOIs received and date responded to within the deadline*		Detailed in 13 May 2024 minutes - Minute 028 iv refers.
Review the Risk Assessment and Management Scheme	*Check the last review date is within the past year and recorded in the minutes*		Risk assessment was last reviewed in October 2022. Recommend to update asap.
Confirm that regular backups of electronic records are made monthly and an archive copy kept in a second remote location i.e. Cloud, external hard drive and /or that duplicate hard copies of records are kept at an additional remote location.	*Website and email passwords in a sealed envelope and retained by the Chairman is recommended and or "The Chairman's Box" containing duplicate copies of the councils key documents and deeds.*		Back up to googledrive

Confirm the publication scheme		**Website**	Policy documents available on the website
COUNCILLORS			
Check the publication of councillor's contact details	*Full home addresses are not compulsory but councillors must be available to be contacted directly by the public by email and/or phone Separate council email addresses are preferable to personal email addresses*	**Website** Transp. Code	Councillors contact details on the website
Check that positions that councillors hold on the council are published	*i.e. Chairman, Vice Chairman etc.,*	**Website** Transp. Code	Detailed on website
Check the register of member's interests / Declaration of Interest forms	*Confirm that the register of member's interests has been reviewed within the last 12 months and the Principle Authority informed of any amendments*	**Website & UA website** Transp.Code	Detailed on website
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		**Website** Transp. Code	N/A
EMPLOYEES			
Check that the Clerk and Responsible Financial Officer have signed contracts of employment	*The RFO may also be the Clerk, but they must be on PAYE and cannot be self-employed i.e. invoicing the council for service provided.*		Clerk/RFO's copy of Contract of employment is provided
Ensure that pay rises (if any) are agreed and minuted at the relevant meeting	*Check the contracts of employment to ascertain whether JNC recommended pay rises are offered. Even if they are, as pay rises are an additional disbursement from public funds, they should be agreed at a council meeting and minuted.*	Check the minutes	The Clerks employment contract in place and the pay rise discussed and minuted at the Meeting 11th November 2024.