

# **Flempton cum Hengrave Parish Council**

## **Section 1 – Annual Governance Statement 2024/25**

### **Explanation of Negative Responses**

#### **Introduction**

The internal audit review undertaken on the documentation provided to the internal auditor and as published on the council's website has, in the main, provided evidence of the overall adequacy of the financial arrangements in place within the council. The auditor's comments are aimed at assisting the council to explore the adoption of further policies to provide reassurance that the council's risk management, governance and internal control processes are operating effectively.

#### **Assertion 2**

We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

Background 2: Practitioners' Guide 2025, Section 1.20

The regulations require a formal review of the council's internal controls to be undertaken during the year with the addition of specific control procedures for payments by bank transfer or other electronic means added to the risk register. The risk identified and the measures to mitigate the risk should allow council to assess whether it has in place an adequate process to protect the Council against payment of invoices which may show fraudulent bank account details, thereby allowing it to identify, assess and record the control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances.

#### **Explanation 2**

The adoption of an Internal Control Statement will be undertaken during the coming year covering the purpose of the system of internal control, the internal control environment, those responsible for the internal control environment and a review of the effectiveness of internal controls in operation by the council. Council will also implement a further system whereby the effectiveness of the system of internal control is monitored by specific control tests during the year under review. Such reviews will be reported back to council once completed.

#### **Assertion 4**

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

Background 4: Practitioners' Guide 2025, Section 1.27

The authority provided for the exercise of public rights as set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's website or another website, Sections 1 and 2 of the Annual Governance and Accountability Return; a declaration that the status of the statement of accounts is 'unaudited'; and a statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

#### **Explanation 4**

The internal auditor identified that, as the formal notice and full supporting mandatory documentation had not been published, the Council had not given formal opportunity for any interested persons to inspect and ask questions about the Council's accounts for 2023/24.

A new RFO has taken responsibility for the Council's future financial publishing obligations.

### **Assertion 5**

We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

Background 5: Practitioners' Guide 2025, Sections 1.31, 1.32

In accordance with proper practices, council needs to provide evidence to demonstrate that it has identified, assessed and recorded the risks associated with its action and decisions it took during the year under review that could have financial or reputational consequences.

#### **Explanation 5**

The adoption of a risk assessment register will be undertaken during the coming year and council will provide evidence that at least once a year it has taken action to identify and assess those risks and considered what actions or decisions it needs to take during the year to manage risk in order to avoid financial or reputational consequences.

### **Assertion 6**

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

Background 6: Practitioners' Guide 2025, Sections 1.34, 1.35, 1.36

Council needs to demonstrate that it arranged for a competent person, independent of the parish council to provide an objective view of the internal controls of the council.

#### **Explanation 6**

Council commissioned an internal audit review for the year ending 31st March 2025 and will maintain this practice going forward.

### **Assertion 7**

We took appropriate action on all matters raised in reports from internal and external audit.

Background 7: Practitioners' Guide 2025, Sections 1.38

Council needs to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action.

#### **Explanation 7**

Upon receipt of the narrative report from the internal auditor, Council produced an action plan to address the issues raised.