

## FLEMPTON CUM HENGRAVE PARISH COUNCIL

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### ACTION PLAN TO ADDRESS THE RECOMMENDATIONS CONTAINED WITHIN THE ANNUAL INTERNAL AUDIT REPORT CARRIED OUT BY VICTORIA WAPLES DATED 6<sup>TH</sup> JUNE 2025

SUBMITTED TO COUNCIL AT ITS MEETING OF 11<sup>TH</sup> JUNE 2025

Recommendation	Response	Timescale	Responsibility	Actioned
1a. Council to reclaim the purchase tax element of non-business activity annually (non-business activities include duties performed under a statutory obligation, services available for free (such as the open spaces, children's play areas, war memorials and street lighting) and the leasing or freehold sale of land (with or without buildings), for the nominal sum of a pound or less, where there is no other payment of any form involved.)	VAT reclaim for period 01/04/23-31/10/24 was submitted on 26/11/24. Going forward, VAT reclaims will be submitted annually as at 31 October each year	October 2025 and annually thereafter	RFO	To be actioned Oct 2025
1b. Online banking – min 2 persons to authorise each payment in accordance with s.7.1 of the Council's adopted Financial Regulations and NALC's Model Financial Regulations  Note: No signatory to be involved in approving any payment to self	Council's Financial Regulations to be reviewed	Prior to 31 <sup>st</sup> March 2026	Members	To be actioned during 2025-2026
2a. Council's Standing Orders show an adopted date of 22nd May 2017. It is unclear as to whether they have been reviewed since that date but as they stand they fail to take account of the changes in legislation with regards to procurement; transparency for smaller authorities, public contracts regulations and changes to the data protection legislation.	Council is recommended to seek to adopt the standing orders as produced by NALC in 2025 which contained amendments to section 18 to comply with new procurement legislation and ensure consistency with their Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f.  Also updated Model Standing Order (England) was section 14 to better reflect	Prior to 31 <sup>st</sup> March 2026	Clerk and members	To be actioned during 2025-2026

	<p>Code of Conduct requirements. Sections 14.a, 14.b, and 14.c have been removed.</p> <p>NALC had also changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project.</p>			
2b. At the next review of the Financial Regulations as seen on the website, council might wish to review and adopt the 2025 Model Financial Regulations as published by NALC on 13th March 2025. Council should also ensure that the regulations are fully tailored to the parish council by completing the areas within the curly brackets which indicate words, sentences or sections that can be removed if not applicable or amended to fit the council's circumstances.	A review of the Financial Regulations to be undertaken	Prior to 31 <sup>st</sup> March 2026	Clerk and members	To be actioned during 2025-2026
3a. There is no minute reference during the year to show that council considered the risks associated with the functioning of a smaller authority and the measures that the Council would undertake to mitigate such risks confirming that there is protection in place for council's assets and that the manner in which council operates is in conformity with its overall objectives. 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.	<p>Council to adopt a risk assessment register and provide evidence that it has taken action to identify and assess those risks and considered what actions or decisions it needs to take during the year</p> <p>Annually review the financial management of the council to determine whether it has a sound system of internal control which facilitates the effective exercise of the council's functions and which includes the arrangements for the management of the risk</p>	Prior to 31 March 2026, with a financial review to be conducted annually thereafter	Clerk and members	To be actioned during 2025-2026
<p>3b. There is no minute reference to demonstrate that council conducted a review of the effectiveness of the system of internal control for the year 2024–2025.</p> <p>Council should note that 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</p>	Council to adopt an Internal Control Statement which covers 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. The review of	Prior to 31 March 2026, with a review to be conducted periodically through the year	Clerk and members	To be actioned during 2025-2026

<p>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.</p>	<p>the effectiveness of the system would ensure conformity with the requirements of Regulation 6 of the Accounts and Audit Regulations 2015.</p> <p>Council is also advised to 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 a review to be reported back to council once completed.</p>			
<p>3c. Whilst a scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered, the failure to consider the risk assessment and internal controls for the year under review does constitute a breach of the Accounts and Audit Regulations 2015.</p>	<p>Recommendation: as council will be unable to submit this information, it is advised to answer in the negative to Assertion 5 of the Annual Governance Statement and provide an explanation as to its response.</p>	<p>Prior to 1 July 2025</p>	<p>Clerk</p>	<p>Actioned and completed</p>
<p>4a. Council should be aware that the monitoring of the budget throughout the year is one of the recommended key stages *as to the process to be followed during the year.</p> <p>Comment: council should at least seek to receive the level of monitoring detail as specified in its own Standing Orders (17c).</p> <p>* key stages as to the budgetary process to be followed for the year:</p> <ul style="list-style-type: none"> <li>• decide the form and level of detail of the budget;</li> <li>• review the current year budget and spending;</li> <li>• determine the cost of spending plans;</li> <li>• assess levels of income;</li> <li>• bring together spending and income plans;</li> <li>• provide for contingencies and consider the need for reserves;</li> <li>• approve the budget;</li> <li>• confirm the precept or rates and special levies; and</li> <li>• review progress against the budget regularly throughout the year.</li> </ul>	<p>Budget to be adopted for this year and monitored regularly throughout the year.</p>	<p>2025-2026</p>	<p>RFO and members</p>	<p>To be actioned during 2025-2026</p>

<p>4b. The Council on 31st March 2025 had overall reserves totalling £17,116.05.  Comment: Council might wish to note guidance as issued by Proper Practices which states that smaller authorities have no specific right to accumulate funds via the precept and that it is generally good practise to publish both the level as well as the rationale of all reserves.</p> <p>It is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with the level appropriate to its size, situation, risks and plan the budget so as to ensure that the adopted level, once determined, is maintained.</p>	<p>Council to publish both the level as well as the rationale of the general reserves and earmarked reserves.</p>			
<p>4c. Earmarked Reserves:</p> <ul style="list-style-type: none"> <li>• Renewals</li> <li>• Carry forward of underspends</li> <li>• Predicted liabilities</li> <li>• In response to a specific project</li> </ul> <p>There is, in practice, no upper or lower limit to Earmarked Reserves save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting), and should be separately identified and enumerated.</p>	<p>A Reserves policy will be drafted and brought to the council for adoption.</p> <p>Earmarked Reserves to be separately identified and enumerated</p>	<p>Prior to 31<sup>st</sup> March 2026, with Earmarked Reserves to be reviewed annually thereafter and at budget setting</p>	<p>Clerk and members</p>	<p>To be actioned during 2025-2026</p>
<p>7. It is unclear as to when the last re-declaration of compliance under the Pensions Act 2008 was submitted to The Pensions Regulator.</p>	<p>Declaration of compliance submitted on 20/11/2024</p>	<p>Next due 2027</p>	<p>Clerk</p>	<p>Completed</p>

<p>8. Given the discrepancy within the values of the asset register versus those previously declared, it is suggested that council adopt a policy statement which will record the values at a given point in time. Where original purchase costs are known they should be used as the recorded values with estimated replacement costs or insurance values for the remaining assets. Assets that are either under construction or are materially enhanced should only be included in the asset register once they are complete and they benefit the community.</p> <p>Comment: Council should note the method of asset valuation should be applied consistently from year to year. Once council has chosen a minimum value for the reporting of fixed assets and general consumables, this should be minuted and reviewed at least annually. Council might wish to adopt a fixed asset policy which would confirm the setting of the base register for reporting purposes.</p>	<p>Asset register to be reviewed and minuted annually</p>	<p>2025-2026</p>	<p>Clerk and members</p>	<p>To be actioned during 2025-2026</p>
<p>9a. Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.</p>	<p>In accordance with Proper Practices, Council to ensure that the reconciliation of the cash book to bank statements is reported to all members, and the full reconciliation made available for scrutiny each time it is done.</p>	<p>2025-2026 and thereafter</p>	<p>RFO and members</p>	<p>To be actioned during 2025-2026</p>
<p>9b. Council has no long-term investments and uses both the current and deposit account for the day-to-day banking requirements of the council. The minutes of 8th July 2024 provide evidence that council considered the options for investments with agreement that any sums invested should be for a maximum of 6 months.</p>	<p>Comment: council might wish to consider the adoption of an Investment and Reserve policy which could cover not only the objectives of the council investment strategy (in accordance with prevailing regulations) but also the manner in which the reserves (general and earmarked) are held alongside the reasoning for each reserve, thereby complying with statutory requirements that all reserves are annually reviewed and monitored for relevant and compatibility with the council's objectives.</p>	<p>2025-2026 and thereafter</p>	<p>Clerk and members</p>	<p>To be actioned during 2025-2026</p>

10a. In order to warrant a positive response to Assertion 7, council is advised that upon receipt of a narrative report, an action plan should be produced and adopted by the council to address the areas of improvement or development as identified within the report. The proposed remedial actions should be identified along with those responsible for delivering improvement and the deadlines for the completion of the action. Recommendation: as council failed to procure an internal audit service, it is advised to consider its response to Assertion 7 of the Annual Governance Statement.	This Action Plan has been produced in response to this recommendation and should be adopted.	2025-2026	Clerk and members	Actioned
10b. Council needs to ensure that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.	To be discussed and minuted at the meeting to be held on 11 June 2025	11 June 2025	Clerk and members	Actioned
10c. The following documents related to the previous year's audit (2023 – 2024) were available on a public website and uploaded prior to 1st July 2024. Those in bold were missing from the website: Certificate of Exemption <b>Annual Internal Audit Report – Annual Governance Statement of the AGAR</b> Section 1 – Annual Governance Statement of the AGAR Section 2 – Annual Accounting Statements of the AGAR <b>Notice of the period for the exercise of public rights</b> <b>Analysis of variances</b> <b>Bank reconciliation – year-end</b>	For year 2024 – 2025 all required documentation pertaining to a smaller council with income and expenditure under £25,000 will be published on the Council's website by 1 <sup>st</sup> July 2025	Prior to July 1 <sup>st</sup> 2025.	Clerk/RFO	Actioned

<p>12. Council is aware that with gross income and expenditure under £25,000 it will be required to follow the Local Government Transparency Code 2014 for smaller authorities. It should ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (not later than 1 July):</p> <p>Internal Audit Report  List of Councillors and Responsibilities  Items of Expenditure Above £100 including recoverable and non-recoverable VAT  End of Year Accounts  Annual Governance Statement  Asset Register  and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014  Comment: Council might wish to note that salaries are exempt from the requirement to list items of expenditure above £100.</p>	<p>A list of Items of Expenditure above £100 including recoverable and non-recoverable VAT to be prepared</p>	<p>Before 1 July 2025</p>	<p>Clerk/RFO</p>	<p>Actioned and completed</p>
<p>13a. Under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme.</p>	<p>The Publication Scheme to be drafted and adopted by the council must contain up to date information, be fully tailored to the council and should be published proactively.</p>	<p>2025-2026</p>	<p>Clerk and members</p>	<p>To be actioned during 2025-2026</p>
<p>13b. Active steps will be needed to show compliance with GDPR requirements. A number of policies were seen in draft form during the internal audit review and the clerk is aware that a privacy policy should be included on its website detailing the framework that the public can expect for dealing with requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party, along with publicly available documents providing the manner in which the council collects, uses and protect personal information.</p>	<p>Appropriate Data Protection policies to be adopted at a future Council meeting along with the lawful basis for the processing of data covered by the regulations and the manner in which such data is to be retained and disposed of.</p>	<p>July 2025</p>	<p>Clerk and members</p>	<p>To be actioned during 2025-2026</p>

14a. Evidence was seen on West Suffolk Council's website of the Register of Interests for all current Parish Councillors although there is no direct link for access from the Parish Council's website.	Link to be added to the website	June 2025	Clerk	Actioned and completed
14b. In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the looseleaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence.	Person chairing the meeting at the time of signature of the minutes to initial each page in addition to signing the last page.	Ongoing	Chair	2025-2026 and ongoing
14c. Council should note that LGA 1972 Schedule 12, paragraph 41 allows for the minutes of the proceedings of meetings of a local authority to be recorded on loose leaves provided that they are consecutively numbered.	Council to implement a system of consecutively numbering the minutes.	Ongoing	Clerk	2025-2026 and ongoing
14d. The Openness of Local Government Bodies Regulations 2014 were enacted on 5th August and came into force on 6th August 2014. These regulations allow for the filming and recording of Council meetings (and other specified public bodies) and provide for access to records (e.g. of decisions made by officers).	Council to review the provisions of the 2014 Regulations to ensure that, by publishing a range of information online, it is compliant with the provisions of the 2014 Act.	2025-2026	Clerk and members	To be actioned during 2025-2026
14e. The Regulations of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 was enacted on 23rd September 2018. The regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities. There is a website accessibility statement available to view on the parish council website which details the technical information for the website are given along with the methods used for testing the website; steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1	To be reviewed and checked with Suffolk Cloud.	2025-2026	Clerk and members	To be actioned during 2025-2026



Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.				
14f. It is advised that, to assist with GDPR, clerks should give official email accounts to all of their councillors which should only be used for official council business.	Clerks to remind councillors that official email accounts should only be used for official council business.	Ongoing	Clerk	Completed
Summary: Council should consider adopting a wider range of Policies, Procedures and Protocols which will assist in achieving and maintaining a high standard of governance and administration	<p>The following policies to be brought to council for adoption:</p> <ul style="list-style-type: none"> <li>Data Protection Policy to include Subject Access Policy and Procedures</li> <li>Lawful Basis for Processing Data</li> <li>Data and Electronic Information Retention Policy</li> <li>Expenses Policy</li> <li>Risk Assessment Register</li> <li>Risk Management Policy</li> <li>Internal Control Statement</li> <li>Reserves Policy and provide details of the level as well as the rationale of the general reserves and earmarked reserves</li> <li>Fixed Asset Policy</li> <li>Investment and Reserve Policy</li> <li>Privacy Policy</li> </ul>	Prior to 31 <sup>st</sup> March 2026	Clerk and members	To be actioned during 2025-2026