Langford Parish Council

Internal Audit report for the year ended 31 March 2025

Executive Summary

Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a Council's activities are operating effectively. Internal audit reviewed the Council's accounting records in respect of the financial year ended 31 March 2025. The Audit findings are summarised in Appendix 1 below.

The Town Clerk has been the Clerk and the RFO (Responsible Finance Officer) for the Council since June 2022, and has prepared the Annual Governance & Accountability Return (AGAR).

External audit completed their Annual Audit for 2023/24 in August 2024, and no issues were reported.

Finance System

The Council has continued to use *'Easy PC Accounts'* finance system as its accounting software which records all transactions - payments, receipts, VAT and the bank reconciliations are undertaken using this system. Therefore, this system has been used to prepare the current year end balances which feed into the 2024/25 AGAR. This has improved the recording of transactions as they are being maintained electronically. In addition, all supporting records have been maintained in a methodical manner and Audit have been able to verify a sample of payments and receipts to supporting documentation.

Website

The Council's website is up to date and includes monthly Minutes from Council meetings. The previous years Accounts have also been published on the Council's website. This report has been compiled on the basis of the information that has been made available to me at the time of the audit.

I would like to thank the Clerk for her co-operation during the audit.

S L Bains
27/04/2025

Appendix 1

	Test	Findings	Recommendations
A	Appropriate accounting records have been kept properly throughout the year	The accounting records for the financial year from April 2024 to March 2025 has been recorded on the ‘Easy PC Accounts’ accounting system. The system has produced year end reports which has been reviewed by Internal Audit and found all transactions have been accounted for correctly. Audit tested a sample of Payments and agreed them to supporting invoices, and the bank statements.	**None**
	Council met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	The Council have adopted the Financial Regulations in its Council meeting in May 2024. Revised Financial Regulations are due to be approved in May 2025. A payments List is prepared each month outlining the payments for approval. Details such as Type of Payment, Payment Description, Value (£) & VAT Value (£) is included. Payments that are approved by Councillors in the monthly meetings are detailed on a monthly spreadsheet. VAT is separately accounted for and quarterly claims are submitted to HMRC to reclaim VAT.	None
C	Council assessed the significant risks to achieving its objective and reviewed the adequacy of arrangements to manage these	**Risk Assessment:** The Risk Assessment document was formally adopted by the Council. **Insurance:** The Council’s insurance policy schedule confirms the following levels of insurance cover as appropriate from June 2024 to May 2025: • Employer’s Liability - £10 million • Public Liability - £10 million • Fidelity - £250k	None
D	Precept requirement resulted from an adequate budgetary process, progress	**2024-25 Budget** The budget for 2024-25 was approved in January 2024.	None

	against the budget was regularly monitored, and reserves were appropriate	**Precept** The Precept for 2024/25 was £136,500. The first instalment was paid in April 2024 and the second instalment was paid in September 2024 and this has been agreed by Audit to the Cashbook and the bank statements.	
E	Expected income was fully received, properly recorded and promptly banked	In addition to the annual precept, the Council have received income from: • Companies that advertise in the local newsletter. • Grants • Donations • Section 106 monies Audit verified all receipts received in the year from the bank statement to the cash book. No issues were identified.	None
F	Petty cash	It was confirmed by the Clerk that a Petty Cash system is not operated by the Parish Council. This is consistent to previous year. No further work undertaken in this area.	None
G	Salaries to employees and allowances to members were in accordance with the Council's approvals	The Clerk is employed by the Parish Council. The salary - 1/12th of the salary is recorded in the cash book on a monthly basis and confirmed by Audit. This is consistent with previous years. Any expenses incurred by the clerk are detailed in the monthly payments schedule, and approved by Council.	None
H	Asset register were complete and accurate and properly accounted maintained	Total assets as per the fixed asset register totalled £557,762. This figure agreed to line 9 of the AGAR.	None
I	Periodic and year end bank account reconciliations were properly carried out	Bank reconciliations are undertaken on a monthly basis. The year end was reviewed by Audit for all bank accounts.	None
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to cashbook, supported by an adequate audit trail from underlying record	The accounting statements have been prepared on a receipts and payments basis.	None
K	Other	**Minutes/Accounts** The Council's minutes are up to date as at the date of the Audit. The Accounts for 2023/24 have been published on the Council's website.	None

		Legacy A Legacy was left to the Parish in the form of a property with specific conditions attached during 2017/18 financial year. There is a separate bank account which operates specifically for Chadwick. The year- end bank balance was agreed to the bank statement. Audit testing confirmed no transactions relating to the Parish Council had been undertaken using the Chadwick bank account.	