

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Item PC25.098 Approval of Internal Audit Report

Subject: Internal Audit Report 2024/25
Date: 16th June 2025
Author: Andrew Prince, RFO

1. Report Summary.

- 1.1 An Internal Audit of Laverstock and Ford Parish Council was conducted by IAC Audit and Consultancy Ltd on 7th March 2025 and continued online using the Council's website and Scribe Accounts. This report presents the certified copy of the Internal Audit Report that forms page 3 of the Council's Annual Governance and Accountability Return 2024/25.

2. Background.

- 2.1 The Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes by the Accounts and Audit Regulations 2015.
- 2.2 The Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide includes guidance on the appointment of an Internal Auditor and on the conduct of an internal audit.
- 2.3 The Council has appointed IAC Audit & Consultancy Ltd to carry out an internal audit for the year 2024/25..

3. Internal Audit Report and Control Objectives.

- 3.1 The signed Internal Audit Report is attached at Annex A to this report. It contains fifteen control objectives. The internal auditor has given a positive response (Yes) to eleven of those objectives, and either 'Not covered' or 'Not applicable' to a further four objectives.
- 3.2 The Internal Auditor has written to explain the reasons for items not covered. The letter is attached at Annex B.

4. Recommendation.

- 4.1 That the Council approve the Annual Internal Report 2024/25 for inclusion in the Annual Governance and Accountability Return 2024/25.

Annex A – Annual Internal Audit Report 2024/25

Annual Internal Audit Report 2024/25

Laverstock and Ford Parish Council

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During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty 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.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Yes		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>			N/A
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.			N/A
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	Yes		
N. The authority has complied with the publication requirements for 2023/24 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	Yes		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			N/A

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

05/05/2024 07/03/2025

Name of person who carried out the internal audit

Kevin Rose ACMA- IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

SIGNATURE

Date

27/05/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Annex B – Explanation of Items Not Covered



Andrew Prince
RFO
Laverstock and Ford Parish Council
3 Pilgrims Way
Laverstock
SP1 1RZ

27th May 2025

Dear Andrew,

Year End Internal Audit

An audit was carried out by Kevin Rose on Tuesday 27 May 2025. This was the Year End audit following on from the interim audit carried out on 7 March 2025.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 209 items. A total of 81 items were tested during this audit in addition to the 128 items tested and checked during the interim audit process. All items on the checklists were tested during the year.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Petty cash (Box F)
- Exemption from External Audit (Box K)
- the Transparency Code (for Smaller Authorities) (Box L)
- Trust Funds (Box O)

(Please refer to the explanation of my 'Not Covered' responses on Page 3)

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)

Summary of tests undertaken during this audit

Positive response	27
Negative response	-
Not Applicable to your Council	54

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Total tests carried out	81
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Of the 27 applicable items tested a Positive response was obtained in respect of 27 tests. I am pleased to confirm that there were no Negative responses.

Summary of tests undertaken for the financial year (including interim audit work)

Positive response	137
Negative response	4
Not Applicable to your Council	68
Total tests carried out	<u>209</u>
Tests not carried out	Nil

I am pleased to advise that no 'Non-Compliances' were identified that would give rise to a negative response on the statutory Annual Internal Audit Report.

Based on the audit testing carried out I am satisfied that the Council's internal councils were effective for the 2024/25 financial year.

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,



Kevin Rose ACMA
Director

Internal Audit 'Not Covered' Responses

Internal Control Objective	Reason for Not Covered Response
F: Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash. (Note: Where cash is held as a cash float, solely for the purpose of providing change, this is covered in our response to Internal Control Objective I)
K: If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered"	The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from a limited assurance review for the relevant financial year.
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.	At present no specific guidance has been provided to Internal Auditors as to what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.
O: (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.