

Lamerton Parish Council

Internal Audit Report

Year Ended 31st March 2026

Prepared by: Aalgaard Renshaw Business Solutions Ltd

Date of Interim Visit: n/a

Date of Final Inspection: 24th April 2026

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Internal Audit Regulation

All town and parish Councils are required, by the provisions set out in **The Audit Commission Act 1998** and **Accounts and Audit Regulations** (issued from time to time under the Act) to arrange for an independent internal audit examination, to be undertaken in respect of the authority's accounting records and system of internal control. The conclusions of the said examinations are, thereafter, reported at Section 4 of the authority's Annual Return for the relevant year.

Internal auditing is defined as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its' objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

Aalgaard Renshaw Business Solutions Ltd was appointed as the Internal Auditor by Lamerton Parish Council, for the Municipal Year 2025/26.

The Internal Audit Review was undertaken after the year end. This audit included compliance and substantive testing to ensure that the control objectives are being met.

The Audit does not guarantee that the accounting records are free from fraud or error.

This report details the scope of the assessment undertaken in relation to Lamerton Parish Council for the 2025/26 financial year. This assessment was undertaken on 23rd April 2026.

Methodology

When undertaking the Internal Audit for the financial year 2025/26 regard has been given to the materiality of the authority's transactions and the potential for mis-recording or misinterpreting the same in year- end Statement of Accounts/ Annual Return.

Aalgaard Renshaw Business Solutions Ltd operates an investigatory programme, designed to provide the requisite level of assurance that the audited authority has appropriate and robust financial processes in situ, which ensure that transactions are enacted with both efficacy and integrity and which provide a reasonable probability that any material errors, or possible abuses of organisational, or national, regulatory frameworks are easily identifiable.

The Internal Audit programme applied by Aalgaard Renshaw Business Solutions Ltd also facilitates the completion of the Internal Audit Report, which forms part of the authority's Annual Return document.

Observations and Conclusion

Having undertaken a comprehensive Internal Audit of Lamerton Parish Council's accounting records and system of internal control, we have concluded that, based on our inspection, the Parish Council has maintained an effective and accurate system of internal control arrangements for the accounting period 2025/26.

The Parish Council's 'Internal Audit Report' from the Annual Return, has been duly completed and signed. We are of the firm opinion that the control objectives set out in that report have been achieved within the financial year to a high standard and thereby easily meets the needs of the Council.

Assertion 10

It is noted the Parish Council has worked hard and taken measures towards being compliant with the new rules and regulations and they are to be congratulated on the new look website, which is clear, concise and easy to follow. The one recommendation, however, is that the 2 of the Councillors email address are changed during the 2026/27 Financial Year so as to comply with "Assertion 10"

Acknowledgement

Aalgaard Renshaw Business Solutions Ltd would like to take this opportunity to thank the Members of Lamerton Parish Council for their instruction to undertake their Internal Audit.

Thank you to the Clerk Caroline Oxenham for her co-operation.

Jacqui Peskett.

Aalgaard Renshaw Business Solutions Ltd

Council and Corporate Governance Statement- overview.

Terms of Engagement		Ref	Notes
1.	Review Terms of Engagement; confirm that engagement is appropriate to this financial year.	n/a	Approved at the Meeting held on 25 th February 2025 and confirmed by email.
2.	Confirm the professional independence and competence questionnaire has been completed and agreed with the client.	n/a	N/A
3.	Agree Internal Audit fee with client	n/a	Agreed a cost of £150.00
4.	Agree attendance date		Agreed by telephone; work undertaken at the ARBS Office.

Planning Notes		Ref	Notes
5.	Number of Electors	n/a	Circa: 887
6.	Precept sum	Minutes	£12,000.00
7.	Other Income	n/a	£2,519.20 broken down as: VAT refund £418.42 Allotments £275.00 Interest £277.63 Wayleave £137.62 Cemetery £900.00 Pascoes £325.00 WDBC correction £60.53 Contribution from VH for survey £125.00
8.	Key Personnel	n/a	Caroline Oxenham Clerk/RFO.
9.	Type of Manual Accounting in Place	n/a	Excel spreadsheet.
10.	Any significant changes to staff/ procedures since previous Internal Audit?	n/a	The Parish Council has transferred its financial business from TSB Bank the Unity Trust Bank.
11.	Are there any matters arising from the last Internal Audit and/ or Management Letter?	n/a	No.
12.	Have there been any matters arising from discussions with Council, including whether there is any evidence of fraud/ material mis-statement?	n/a	No.
13.	Key high risk/ expected problem areas	n/a	None identified.

Observations	Satisfactory – no issues identified.
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Corporate Governance Statement

Area	Response (please provide detail below or on supplementary pages)
<p>Please confirm whether or not Standing Orders and Financial Regulations are in place.</p> <p>If so, when were they last updated and formally adopted by the Council?</p> <p>(Please provide an electronic copy of both).</p>	<p>Standing Orders are in place and were reviewed and re adopted at the meeting held on 18th November 2025 (Minute Reference 154-2025 (i) refers).</p> <p>Financial Regulations are in place and were reviewed and re adopted at the meeting held on 18th November 2025 (Minute reference 154/2025 (j) refers).</p>
<p>Where original minutes are not provided for our examination, please confirm that each page of the master copy is signed or initialed by the Chairman at the subsequent meeting when they are approved.</p>	<p>Yes, the draft Minutes are ratified and signed off by the Chair at the next Parish Council Meeting.</p>
<p>Does the Council meet the criteria for adoption of the General Power of Competence and, if so, has it been adopted. Please confirm minute reference and date.</p> <p>If reliance is still placed on S.137, etc., when considering the approval of grants and donations to local (and other) bodies, are the relevant powers considered and formally minuted?</p> <p>Where detail of powers relied on is only set out on an agenda paper, please provide an example.</p>	<p>No</p> <p>Not evidenced</p>
<p>Please confirm that all internal and external audit reports are presented to and agreed by members, also with agreement on the actions to be taken to address any issues identified. Again, please provide detail of the relevant meeting and minute reference.</p>	<p>Noted as discussed in the Minutes of the Annual General Meeting held on 20th May 2025 (Minute reference 69/202 (e) refers.</p> <p>The Parish Council declared itself exempt so no discussion was required for the External Audit.</p>
<p>Has the Council reviewed an updated version of the financial risk assessment and formally approved its re-adoption (Governance and Accountability Manual – 2014 refers)</p>	<p>Yes, this was reviewed and re adopted at the Parish Council meeting held on 21st May 2024 Minute reference 81-2024 (a) refers.</p>
<p>When approving payments for release, do those members signing cheques examine and sign / initial individual invoices. Please provide a brief description of the approval process from receipt of invoice through to release of funds, on a separate sheet.</p>	<p>Schedule of payments shown on Agenda and presented to Members at each meeting for approval.</p>
<p>Are all individual payments by direct debit, bankers' standing order or internet, if in use, similarly examined and approved for payment by members? Please provide detail</p>	<p>Payments are made by BACS Transfer and cheque Cheque stubs are initialed by two of the authorised bank signatories.</p>

of the controls in place over such payments, where different to those for cheque payments.	
Does the Council / a nominated member review the detail of bank reconciliations routinely throughout the year and verify detail to underlying cashbooks and bank statements (Governance and Accountability manual refers)	This is undertaken by a nominated Councilor.
Please provide a brief description of the approach taken to the preparation and approval of the Annual Budget and Precept.	The Clerk prepares a draft Budget and presents this to the full Council in the latter part of the year. This is clearly recorded in the Minutes.
Does the Council formally consider and approve the level of reserves (General and Earmarked Funds) to be carried forward to the next financial year? (Such consideration should be minuted formally).	Yes, it has an investment strategy shown on the website and this was last reviewed at the Meeting held on 10 th September 2024 (Minute reference 118-2024 (a) refers).
Does a physical examination / verification of the Councils stock of assets take place?	Yes, and this is shown on the website. Asset Register viewed as of 31st March 2024 with a total value of £12,077.00
Are asset values based on purchase cost net of VAT (where known)? Where detail of the purchase cost is unknown, asset values should be reported on the Annual Return at the same value as the previous year, except where new assets are acquired or disposed of.	Not evidenced
Does the Council act as Sole or Custodial trustees of any charitable funds? If so, are the transactions excluded from the Annual Return financial detail at Section 2?	N/A

Observations	<i>Satisfactory – no issues identified.</i>
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Professional Independence and Competence Questionnaire

The internal audit function must be sufficiently independent from the management of financial controls and procedures of the council which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the council. The two key principles, which councils must follow in setting up their internal audit function are; **independence and competence**.

Independence	
Do you have any specific reliance on the fee to be earned from this assignment	No
Overdue fees	
Does the client/group of clients owe the firm any money which exceeds our normal credit terms?	No
Litigation	
Is there any actual or anticipated litigation between us and the client in relation to fees, audit work or other work?	No
Associated firms	
Are you or your staff associated with any other practice or organisation which has had any dealings with the client council?	No
Family or other personal relationships	
Do you or any of your staff have personal or family connections with the council or its officers?	No
Mutual business interest	
Do you or any of your staff have any mutual business interests with the client or with an officer or employee of the client?	No
Financial involvement	
Do you or your staff, or anyone closely related to you or any of your staff, have any financial involvement in the client in respect of the following:	
Any beneficial interest in shares or other investments?	No
Any loans or guarantees?	No
Goods and services: hospitality	
Have you or any of your staff accepted materials, goods or services on favourable terms or received undue hospitality from the council?	No
Ex-partners or senior staff	
Has any senior officer of the council been a partner or senior employee of the practice?	No
Is the partner or any senior employee on the audit team in negotiations to join the client?	No
Long association	
Have you been acting for more than 10 years? If yes, then consider rotation/engagement quality review.	No
Provision of other services	
Do we provide any of the following services to the client:-	
Accounting services, book-keeping or payroll services	No
Staff secondments	No
IT services where we are involved in the design, provision or implementation of systems	No
Specialist valuations which are included in the accounts	No
Tax compliance work or tax planning	No

Section 1 – Maintenance of Accounting Records & Bank Reconciliations

Internal Control Objectives

	Control Objective	Comments
A	Has the RFO been appointed with specific duties? (S.151 LGA 1972)	Yes.
B	Appropriate records of account have been properly kept throughout the year	Yes.
C	Closing Cashbook Balance	£26,701.55
D	Formal, year-end, Bank Reconciliations were carried out.	Yes, these are clearly shown on the Excel spreadsheet and are clearly laid out and easy to follow.

Observations	<i>Satisfactory – no issues identified</i>
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2. Review of Corporate Governance

	Control Objective	Comments
E	There are appropriate governance arrangements in place to help ensure compliance with extant legislation and that no decisions are taken that may result in unlawful, or unbudgeted costs.	Yes.
F	The Council's Financial Regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	Yes, checked and all in accordance with regulations.
G	Procurement	N/A
H	Clarity of Records	Spreadsheet clear and concise, easy to follow.
I	Precept Setting 2026-27	This was discussed and set at the Meeting held on 13 th January 2026 (Minute reference 11-2026 (d) refers) it was set at £12,500.

Observations	<i>Satisfactory – no issues identified</i>
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3. Review of Expenditure

	Control Objective	Comment
J	Payments	All payments are shown on the Excel spreadsheet and accounted for.
K	Procurement of services above the 'de minimis' Amount	N/A
L	VAT	A claim has been made for the sum of £418.42 during this financial year.
M	S.137 Expenditure (LGA 1972)	
N	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for	N/A
	Clerk's Expenditure	Recorded.

Observations	<i>Satisfactory – no issues identified</i>
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4. Review of Income

	Control Objective	Comment
P	The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Budget
Q	Expected income was fully received, based on correct prices, properly recorded and promptly banked, with VAT appropriately accounted for.	Yes, all income is accounted for and the breakdown clearly shows this.
R	Are there any significant, unexplained, variances from the budget?	None identified.

Observations	<i>Satisfactory – no issues identified</i>
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5. Review of Capital Budgeting

	Control Objective	Comment
S	Sale of fixed assets	None.
T	Use of income from sales (de minimis £10,000)	N/A
U	Capital Expenditure	N/A
V	Long-term capital budget/ rolling capital schemes	Investment Strategy shown on the website.
W	Capital budget review (annually) date	N/A

Observations	<i>Satisfactory – no issues identified</i>
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6. Review of Employment Arrangements

	Control Objective	Comment
X	Each employee has been issued with a contract of employment, with clear terms and conditions	Yes confirmed with the Clerk.
Y	Salaries paid agreed with those approved by the Council	Yes.
Z	Are all employees in a registered pension scheme/ have all employees been offered the opportunity to enrol in a work pension scheme	Not necessary.
AA	Are other payments made to employees reasonable and approved by the Council	N/A
AB	Have PAYE / NIC been properly operated by the Council as an employer	Yes
AC	Does the Council have current, appropriate Employer Liability Insurance?	Yes

Observations	<i>Satisfactory – no issues identified</i>
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7. Risk Management Arrangements

	Control Objective	Comment
AD	Does a review of the minutes identify any unusual financial activity?	None identified.
AE	Do the minutes record the Council carrying out an annual risk assessment?	Yes, this is covered as documented in the Minutes of the meeting held on 18 th November 2025 (Minute reference 154/2025 refers).
AF	Is insurance cover current, appropriate and adequate?	Yes, the Parish Council has a Zurich Insurance policy in place – YLL2720923403 expires 31st March 2027.
AG	Is the Fidelity Guarantee appropriate and has it been reviewed?	Yes.
AH	Are internal control systems documented and regularly reviewed?	Yes.
AI	Has the Council carried out a review of the effectiveness of internal auditing during the year?	Yes, again, this is covered as documented in the Minutes of the meeting held on 18 th November 2025 (Minute reference 154/2025 refers).
AJ	Has appropriate action been taken regarding matters raised in reports from Internal Audit?	None Identified.
AK	Have adequate measures and steps been put in place in respect of GDPR.	Yes

Observations	<i>Satisfactory – no issues identified</i>
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8. Asset Register

	Control Objective	Comment
AL	Does the Council maintain a register of all material assets owned, or in its care?	Yes and displayed on their website.
AM	Are the assets and investments register up to date?	Yes.
AN	Have dates of acquisitions been noted?	Yes, where possible.
AO	Is a life estimate recorded?	No.
AP	Has the location of the item been recorded?	Yes, on some.
AQ	Have costs of acquisitions and enhancement been recorded?	No.
AR	Have dates of upgrade and disposal been noted?	N/A

Observations	<i>Satisfactory – no issues identified</i>
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9. Investments and Loans

	Control Objective	Comment
AS	Have all excess balances been appropriately and prudently invested in appropriate accounts for safeguarding? (LGA 2003 and guidance issued by the Secretary of State).	Yes.
AT	Does the Council have, documented and approved, appropriate recovery actions for unpaid debts/ writing off, of irrecoverable debts process/ debt monitoring arrangements in place?	N/A

Observations	<i>Satisfactory – no issues identified</i>
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10. Audit Notices and Annual Return

	Control Objective	Comment
AU	When were these advertised to the public?	3 rd June

Observations	<i>Satisfactory – no issues identified</i>
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11. Transparency

	Control Objective	Comment
AV	Publication Method of Agendas/ Minutes	Website - complete
AW	Publication of Annual Governance Statement	Website - complete
AX	Public Meeting date	20 th May 2025
AY	List of Council Members	Yes, shown on website

12. Assertion 10

	Control Objective	Comment
AZ	Website	https://lamertonparishcouncil.gov.uk
ABA	Email address (Clerk)	clerk@lamertonparishcouncil.gov.uk
ABB	Email addresses (Cllrs)	Not compliant on 2 Members
ABC	IT Policy	Compliant-combined and on website
ABD	FOI	Compliant-combined and on website
ABE	Website accessibility	Compliant
ABF	Notice of Public Rights	Compliant – 3 rd June to 14 th July 2025

Observations	<i>Satisfactory – see note re email address.</i>
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Recommendations	See note re email address for 2 Councillors.
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