Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report in the
Annual Governance and Accountability Return 2024 - 2025

Name of Authority:	Launton Parish Council		
Name of Internal Auditor:	Catherine Camp	Year ending:	31 March 2025
Date audit carried out:	16th May 2025	Date of report:	16th May 2025

Internal audit is the periodic independent review of an authority's internal controls. This should result in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the authority's internal controls should be a day-to-day function through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of an authority to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The proper practices referred to in the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 are set out in the Smaller Authorities Proper Practices Panel (SAPPP) *Practitioners Guide.* This is a guide to the accounting practices to be followed by local councils which sets out the appropriate standard of financial reporting to be followed.

- Para 4.11 of the *Practitioners' Guide* asserts that the independence of the appointed person or firm should be reviewed every year.
- Para 4.16 requires that authorities should carry out a review of the effectiveness of their overall internal audit arrangements, at least once each year.
- Para 5.103 specifies that the authority should take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit.

This report is addressed to the Chair of Council or Parish Meeting for circulation to all members. It must be considered in a meeting of the full council.

The authority needs to have considered all matters brought to its attention by internal and external audit, and should have taken corrective action as appropriate. *Practitioners Guide* 1.39

Reports from internal and external auditors 2023-2024
Have comments from the internal audit 2023-2024 been addressed?

Comment or recommendation from internal auditor 2023-2024	**Comment from internal auditor for this report**
Code of Conduct - revised version adopted March 23	Code of Conduct is in line with Cherwell District Council's.
Numbering of loose leaf minutes.	This was discussed and current system retained. The minutes are clearly numbered so it would be obvious if a page is lost or removed at a future date.
Council has General Power of Competence so does not need to rely on the free resource s137	The CiLCA trained Clerk has resigned, so no new projects using GPoC may be started until the Council is eligible to use General Power of Competence again.
Increased workload due to Village Hall management.	A business plan was recommended.

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Have comments from the external audit 2023-2024 been addressed?

Comment or recommendation from external auditor 2023-2024	**Comment from internal auditor for this report**
Petty Cash -referencing petty cash (even as a nil balance) on the bank reconciliation seems unnecessary. We would suggest the reconciliation schedule is updated to remove it.	
Explanation of Variances year on year	Include monetary amounts in the explanations.

To the Chair of Launton Parish Council,

Dear Chairman,

I met with the Chairman of Launton Parish Council, Simon Turner, who is currently carrying out the role of Clerk & Responsible Financial Officer, following the resignation of the previous Clerk. He is acting as Clerk without remuneration as required by law set out in Local Government Act 1972 s112(5).

Local Government Act 1972 s112(5) states that a Local Council may appoint one or more of its members to be officers of the council without remuneration. An office of profit remains an office of profit even though no profits are actually received, and therfore an unpaid office must be specifically created before a councillor can be appointed to it. Moreover a councillor cannot be appointed to a paid office while he is a councillor and for twelve months after he ceases to be one (LGA 1972, s116), so he must not be appointed during the twelve months to a paid post on condition that he is not actually paid until after the period has elapsed. Such a bargain is contrary to law.

Councillor Turner was appointed to the role of Clerk as recorded in Minutes of 12 December 2024 4a, however the minute did not record that an upaid office had been created and that he would not receive remuneration.

The Internal Audit took place on Friday 16th May, and was carried out remotely by examination of the parish website, email and via a video-call. I would like to take this opportunity to thank Simon for his assistance in providing the necessary information and answering my queries allowing me to test all aspects of the council internal controls.

Firstly, I sought evidence that all Audit Paperwork from the previous year had been reported to the council and published on the website in line with Accounts and Audit Regulations 2015 - it had.
I then sought evidence that the recommendations had been noted by the Council and implemented.

I examined the publicly available information displayed on the council's website including council policies, procedures, agendas and minutes, financial and other records. I examined the council's arrangements for the management and control of its business in book-keeping, due process and compliance with proper practices as set out in the Practitioners Guide, risk assessment, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures including the public display of information.

Launton Parish Council maintains excellent financial records which are clearly documented within the minutes, with a robust system of internal control in place.

Launton Parish Council has an impressive raft of policy documents which are kept up to date on the website.

I wish to bring to the attention of the Council the correct way in which to close a meeting to the public and press when dealing with a confidential item as detailed in the minutes of 7 November Item 13b.

If a town or parish council wishes to exclude the press and the public then it must specifically resolve to enter a closed session for that particular item, giving reasons why.

Public and press may be excluded under the provisions of Section 1 of the Public Bodies (Admission to Meetings) Act 1960, as amended by Section 100 of the Local Government Act 1972. The power to exclude is not exercisable generally but only for a particular occasion. It must be proposed, seconded and voted upon every time, even if no members of the public are present at the meeting. The minutes must record that council resolved to move into confidential session.

Decisions taken in the meeting when press and public are excluded must be minuted in accordance with LGA 1972 Schedule 12 (41) (1), in such a manner so as not to disclose the confidential information which necessitated going into private session in the first place. This should be included within the same minutes that record the decisions taken in open session. They should be published as draft minutes and presented for approval in public at the start of the next meeting in the usual fashion.

Under no circumstances should council issue a second set of minutes which are not published or are approved in confidential session.

Recommendations for this report

Recommendations from internal auditor 2024-2025

Area for consideration or improvement	**Recommendation**
Update Financial Regulations based on 2024 NALC model	2024 NALC Model Financial Regulations are now available, and I would advise the Council to review these and tailor them to Launton Parish Council.
Review the Asset Register to ensure it is in line with the Insurance Document.	
Confidential Sessions	Ensure there is a resolution to enter closed session when required and ensure that it is clear why this is being closed to the public and press.
Consider employing an External Payroll provider when you take on a new Clerk.	

Areas in the 2024-2025 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked

	Reason
A	
B	
C	
D	
E	
F	**Not Covered** Launton Parish Council does not hold Petty Cash
G	
H	
I	
J	
K	**Not Covered** Launton Parish Council were not eligible to declare themselves exempt.
L	
M	
N	
O	**N/A**

Section 2 - Accounting Statements 2024/25

	Year ending 31 March 2024	Year ending 31 March 2025
1. Balances brought forward	44,920	61,780
2. Annual precept	39,743	51,592
3. Total other receipts	3,966	60,277
4. Staff costs	9,887	7,845
5. Loan interest/capital repayments	0	0
6. Total other payments	16,962	61,415
7. Balances carried forward	61,780	104,389
8. Total cash and investments	61,780	104,389
9. Total fixed assets and long-term assets	40,131	34,291
10. Total borrowings	0	0

This is a very well run Parish Council and I wish you every success in finding a new Clerk as soon as possible to help maintain the high standard of governance in place.

I am pleased that having tested all aspects of the councils internal controls based on the information made available to me, I am satisfied that internal control objectives were achieved throughout the year and have signed the AIAR accordingly.

Yours sincerely,

Catherine M Camp

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