Minster Lovell Parish Council

Internal Audit report 2025-26

Internal auditor: Lisa Wilkinson

Internal Audit Report 2025/26 – Minster Lovell Parish Council

Introduction

This internal audit was undertaken in accordance with the scope and requirements set out in the Practitioners' Guide 2025: Governance and Accountability for Smaller Authorities in England. The audit is based on a review of documentation provided by the Clerk and RFO, responses to the Internal Audit Questionnaire 2025/26, sample testing where appropriate, and the auditor's professional judgement.

Overall Conclusion

On the basis of the work carried out, it is my opinion that Minster Lovell Parish Council has a generally sound and effective system of internal control in place. The Council maintains appropriate accounting records, operates satisfactory financial controls and has appropriate arrangements for budget setting, financial monitoring and risk management.

A small number of governance matters require attention, principally the adoption of a Biodiversity Policy and the formal annual review of the effectiveness of internal control.

Internal Audit Objectives and Findings

A. Proper accounting records were kept throughout the year

Accounting records were properly maintained and reconciled to the year-end bank balances. Records reviewed provided a clear audit trail and were supported by appropriate financial reports. The year-end bank reconciliation agreed to the accounting records and bank statements.

Response: Yes

B. The Council complied with its Standing Orders and Financial Regulations

Financial Regulations are in place and were reviewed during the year. Payments sampled were supported by invoices and approved through the Council's normal procedures.

Response: Yes

C. The Council assessed significant risks and reviewed the effectiveness of internal control

The Council maintains a Risk Assessment which was reviewed during the year. Risk management arrangements appear appropriate to the size and activities of the authority.

Response: Yes (with recommendation)

Recommendation: The Council should undertake and minute a formal annual review of the effectiveness of its system of internal control. Whilst internal controls are reviewed throughout the year through the approval of payments and financial oversight, a specific annual review would provide a clearer audit trail and demonstrate compliance with Proper Practices.

D. The precept resulted from an adequate budgetary process and progress was monitored

The Council approved its budget and precept through the formal budget-setting process. Budget monitoring reports were presented during the year, including at the October 2025 meeting and during the budget review process in December 2025. The Council reviewed receipts and payments against budget prior to setting the 2026/27 budget.

Response: Yes (with recommendation)

Recommendation: The Council should ensure that future budget-setting minutes clearly record the headline budget figures used to determine the precept requirement. This will provide a more complete audit trail linking the approved budget to the precept calculation.

The Council should ensure that detailed explanations are prepared for all significant year-on-year variances within the AGAR. Given the substantial changes in both receipts and payments compared with the previous year, clear supporting explanations will assist the external auditor's review and demonstrate the Council's understanding of the movements.

E. Expected income was fully received, properly recorded and VAT appropriately accounted for

Income recorded within the accounting records appears complete and properly accounted for. VAT is separately identified within the accounting system and appropriate records are maintained.

Response: Yes

F. Salaries and allowances were paid in accordance with approvals and statutory requirements

Payroll records reviewed indicate that salary payments were processed appropriately and payroll services are utilised. No issues were identified from the records provided.

Response: Yes

G. Asset and investment registers were complete and properly maintained

The Council maintains a detailed Asset Register which was updated in June 2026 and agrees to the fixed asset value reported in Box 9 of the AGAR.

Response: Yes (with recommendation)

The Council should aim to review the Asset Register annually before the financial year end so that any additions, disposals or amendments are reflected in the approved register before completion of the AGAR.

H. Periodic and year-end bank account reconciliations were properly carried out

A year-end bank reconciliation was prepared and reconciles to the balances held in the Council's bank accounts and to Box 8 of the AGAR. Supporting bank statements were available.

Response: Yes

I. Accounting statements were prepared on the correct accounting basis and supported by an audit trail

The accounting statements have been prepared on a receipts and payments basis and agree to the underlying accounting records.

Response: Yes

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt

The Council was not exempt from external audit in the prior year and was subject to a limited assurance review.

Response: Not Covered

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

The Council maintains a website containing governance and transparency information, including policies and key governance documents. An Accessibility Statement and Privacy Policy are published on the website.

Response: Yes

L2. Members' interests were properly registered and managed

Members' Register of Interests forms are maintained through the Monitoring Officer arrangements at West Oxfordshire District Council and no issues were identified during the audit.

Response: Yes

M. In the year covered by this AGAR the authority correctly provided for a period for the exercise of public rights

The Notice of Public Rights for 2024/25 was published in accordance with the Accounts and Audit Regulations.

Response: Yes

M2. Governance policies

Key governance and operational policies are in place, reviewed and published. These include Standing Orders, Financial Regulations, Risk Assessment and data protection policies.

Response: Yes

N. The authority has complied with the publication requirements for the prior year's AGAR

The AGAR documentation for the prior year, including Internal Audit Report, External Auditor's Report, Notice of Conclusion of Audit and supporting documentation, is published on the Council website

Response: Yes

N2. Website accessibility and publication compliance

An Accessibility Statement and Privacy Notice are published. The Council has confirmed that documents are accessible and the website is maintained in accordance with accessibility requirements.

Response: Yes

N3. Biodiversity duty

The Clerk confirmed that the Council has not yet adopted a Biodiversity Policy and intends to bring one forward for approval.

Response: No

Recommendation: The Council should adopt a Biodiversity Policy and record the actions it is taking to comply with its biodiversity duty under the Environment Act 2021.

P. Digital and data governance (Assertion 10)

The Council has appropriate data protection policies in place and uses council-controlled email and website domains

Response: Yes

AGAR Page 3 – Internal Audit Opinion Summary

Based on the work undertaken, the responses to the individual control objectives are set out above and should be reflected accordingly in Section 1 of the AGAR.

Internal audit work was carried out on a sample basis and therefore cannot provide absolute assurance. However, the work completed provides reasonable assurance that the Council's systems of internal control are effective and operating in accordance with proper practices.

Signed: 

Date: 11 June 2026