Lacock Parish Council

https://lacockparishcouncil.gov.uk

Year-end
Internal Audit Report
2025-26 financial year

Claire Lingard-McKay

Working the Greener Way - Online

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1. The role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England & Wales) Regulations 2015, which states that a relevant body must:

'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector and internal auditing standards and guidance'.

The standards for 'proper practices' in relation to internal audit are laid down in the Public Sector Internal Audit Standards April 2017 [the Standards].

The role of internal audit is best summarised through its definition within the Standards, 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.'

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council's objectives.

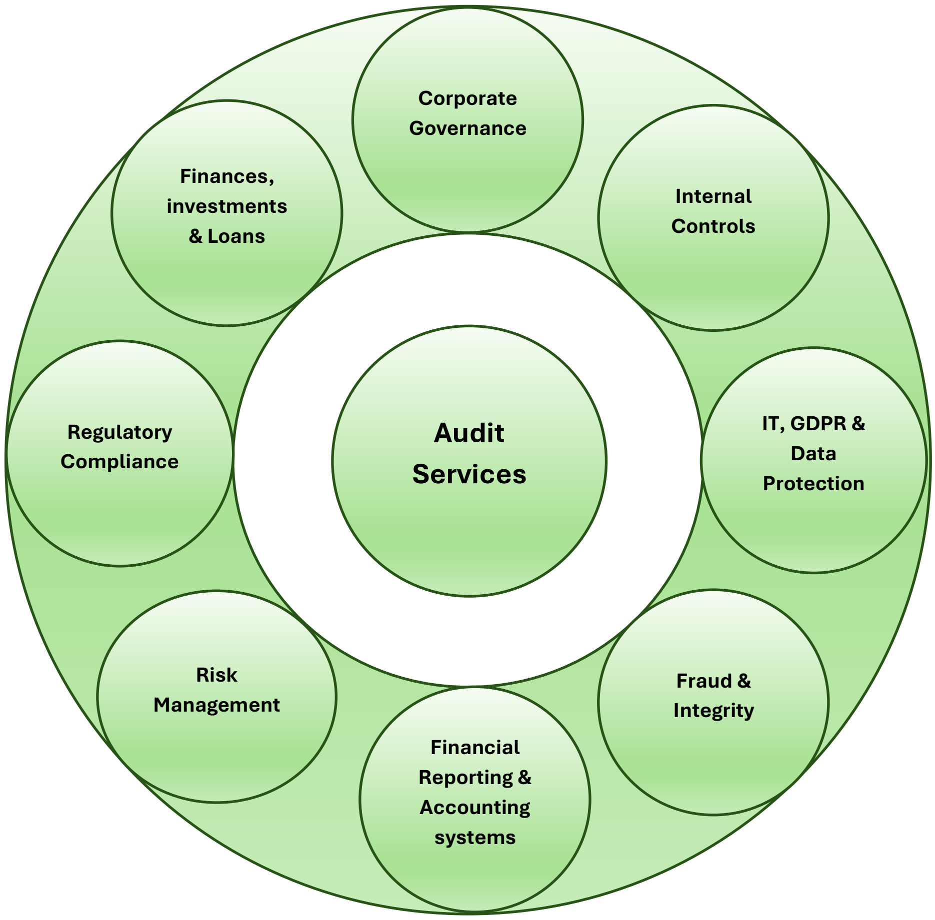
2. Internal audit approach

The risks inherent in the Council's internal control methods

To enable effective outcomes, our internal audit approach provides a combination of assurance review and consulting activities. Assurance reviews involve assessing how well systems and processes are designed and working, with consulting activities available to improve those systems and processes where necessary.

A full range of internal audit assurance reviews are performed in forming the year-end opinion with the approach to each area of review determined by:

- The level of assurance required to meet statutory requirements;
- The Council's short, medium, and long term objectives;
- The level of confidence in the policies and procedures; and,
- The risks inherent in the Council's internal control methods.



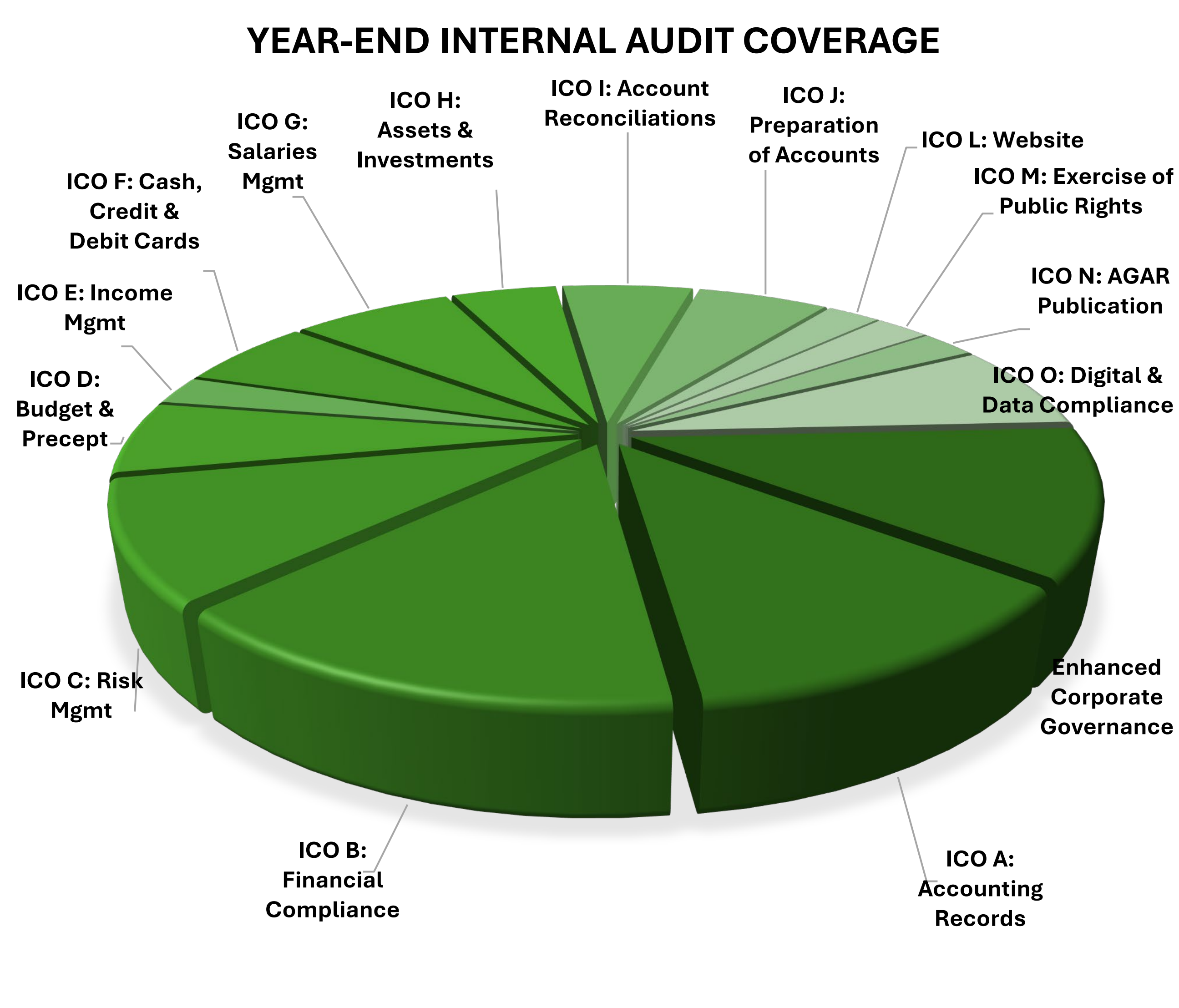
3. Internal audit coverage

The annual Internal Audit plan was prepared to take account of the unique characteristics and relative risks of Lacock Parish Council's activities and to support the preparation of the Annual Governance and Annual Statement of Accounts contained within the Annual Return.

Assurance reviews in seventeen areas have been planned and performed to obtain sufficient information and explanation considered necessary to give reasonable assurance that the Council's Internal Controls systems are functioning effectively. The Internal Audit plan for the 2025-26 financial year was approved in consultation with the Council's Clerk & Responsible Finance Officer (RFO) and was informed by our own assessment of risk and materiality.

The plan will be modified in future years, in consultation with the Clerk & RFO and Council Members to ensure it is aligned to the objectives of, and key risks facing the Council.

WGW online has provided assurance across seventeen areas of review, which correspond to the sixteen Internal Control objectives contained within the Annual Governance & Accountability Return: Annual Internal Audit Report, and an enhanced review of Corporate Governance during the 2025-26 financial year to the 31st of March 2026.



4. Internal Audit opinion

The Practice Manager of WGW online is responsible for the delivery of an interim and annual Internal Audit opinion and report that may be used by the Council to inform its Governance and Accounting statements in the Annual Return. The year-end opinion, based on our review conducted remotely, with the assistance of the Clerk & Responsible Finance Officer, remotely over the 08th of May, 16th, 17th, 18th and 29th of June and the 07th, 08th, and the 09th of July 2026 examined the overall adequacy and effectiveness of the organisation's framework of governance, risk management and Internal Controls.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance may be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- The year-end audit work & reporting completed at our offices;
- The results of the follow up discussions conducted with the Clerk & RFO, Council Chair and the Councillor with the responsibility for Finance;
- The quality and performance of the Council's administrative function and the extent of compliance with the Standards defined in the Joint Panel on Accountability and Governance, Practitioner's Guide; and,
- The proportion of Lacock Parish Council's audit requirement that has been covered during the year-end review.

Internal audit opinion

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Lacock Parish Council's Internal Control Ecosystem.

In my opinion, Lacock Parish Council's framework of governance, risk management and management control has 'Limited Assurance' with few internal controls working in practice.

Thirty-six weaknesses and/or Best Practice recommendations for improvement have been identified, these are recorded in Section 9: 'FY2025-26 Recommendations Action Plan' of this Internal Audit Report.

5. Council profile

Council name:	Lacock Parish Council
Address:	Lacock Village Hall, East Street, Chippenham SN15 2LF
Unitary authority:	Wiltshire Council, Bythesea Road, Trowbridge, Wiltshire BA14 8JN
Proper officer:	Mr Theo Edge
Responsible Finance Officer:	Mr Theo Edge
General Power of Competence:	The Council is not eligible to adopt the General Power of Competence
Members:	Ten seats (one casual vacancy as at the 31st of March 2026)
Elected Members:	Seven elected Members
Co-opted Members:	Two coopted Members
Chairperson:	Louise Heren
Vice-chairperson:	Simon Wise
Head of Electorate:	Eight-hundred and twenty five (825) 31st of March 2026
Current precept:	£40,158.00 for the 2025-26 financial year
External Auditor's report:	The Council received a 'Qualified' External Audit Opinion, in respect of the 2024-25 financial year, rendered by PKF Littlejohn on the 14th of September 2025.
Official website:	The Council maintains a free to access website on a secure server, published at https://lackcockparishcouncil.gov.uk

6. Corporate governance

The objective in this area of review is to ensure that the Council has robust corporate governance arrangements in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been or are being considered for implementation. To meet the above objectives, we have:

- Noted that there is no record of the Financial Regulations being reviewed or readopted in recent years. The date on the Council's currently adopted Financial Regulations during the 2025-26 financial year was the 12th of February 2018 but the document, which has been significantly amended, appears to be of a much earlier date;
- Noted that there is no record of the Standing Orders being reviewed or readopted in recent years. The date on the Council's currently adopted Financial Regulations during the 2025-26 financial year was the 08th of January 2018 but the document, which has been significantly amended, appears to be of a much earlier date;
- Conducted our review of the Agenda and Minutes of Full Council (no committees) excluding Planning, for the full year ensuring that no issues affecting the Council's financial stability either in the short, medium or long term exist. The Minutes are of a sub-standard quality with a lack of proper specificity, particularly in relation to the open and transparent reporting of financial matters;
- Noted that the Council currently maintains a basic portfolio of policy documents which is published on its official website. The policy portfolio must be expanded to support the Council's current and ongoing requirements. As at the 31st of March 2026 the Council had the following policies adopted:

  Statutory Documents

  - Standing Orders – 2018
  - Financial Regulations – 2018
  - Councillors Code of Conduct – 2024

  Policy Documents

  - Parish Council Information Guide (undated)
  - Complaints Policy 2026
  - Recording, Photography & Social Media Policy 2017
  - Cemetery Rules & Fees 2023
  - Website Accessibility Statement 2025
  - Privacy & Data Processing Notice (undated)
  - Public Question Time Policy 2026
  - Publication Scheme 2026
  - Records Management Policy 2026
  - Privacy Notice 2026
  - Grants Policy & Application form

- We note that the Council holds a Recording, Photography & Social Media Policy and a Press & Media Policy, as recorded above, but this is primarily in relation to behaviours at Council meetings;
- We note that the Council was not exempt from Limited Assurance Review during the 2024-25 financial year and is not exempt from Limited Assurance Review during the 2025-26 financial year;

- We note that the Council did not formally approve or publish the Notice for the Exercise of Public rights for the 2024-25 financial year. We are advised by the Chair and Councillor responsible for Finance that the certificate was discovered and published in October 2025 following the resignation of the previous Clerk & RFO;
- We note that the Council did publish the External Auditor's Report and Certificate and the corresponding Notice of Conclusion of audit for the 2024-25 financial year;
- We note that the Council did publish the Notice of Conclusion of Audit for the 2024-25 financial year;
- We note that the Council properly maintains its Members Register of Interests. This may be accessed from the Council's official website, via a hyperlink located on each of the Councillor's profiles, which takes the user through to the record published on the Principal Authority: Wiltshire Council's website where the digital register is maintained; and,
- Noted that the Council is currently ineligible to adopt the General Power of Competence.

Conclusion & recommendations

There are a number of matters where the Council has failed to meet the required standard of Corporate Governance and Administration during the 2025-26 financial year. These matters are recorded below with corresponding recommendations for improvement:

Standing Orders and Financial Regulations

The Council's Standing Orders and Financial Regulations were last reviewed and readopted during the 2017-18 financial year; however, the documents themselves are earlier versions of the model documents and have been significantly amended. It is considered best practice that these documents, which along with the Code of Conduct effectively form the 'constitution', under which Councils operate, are reviewed at least once annually.

R.01 We strongly recommend that the Council's Standing orders be reviewed annually during the Annual Parish Council Meeting, but at least every three years. Please note that the National Association of Local Councils (NALC) model standing orders explicitly state that they should be reviewed annually, or sooner, if legislative changes occur. Please note that an immediate review should occur where there are changes to relevant legislation (e.g., Local Government Act, Data Protection laws, or procurement rules) or if the council's structure changes significantly.

R.02 We advise the Council that the Financial Regulations are subject to stricter scrutiny due to the nature of managing public funds. NALC model Financial Regulations mandate an <u>annual review</u> to ensure they remain fit for purpose and compliant with the latest 'proper practices'; SAPPP refers.

We further advise the Council that whilst the review of this document isn't always strictly annual by law, the Annual Governance Statement (required by the Accounts and Audit Regulations) requires the council to review the <u>effectiveness of its internal control systems</u> every financial year. This effectively necessitates an annual check on whether the Financial Regulations are working as intended.

Agenda and Minutes

The Council's Agenda and Minutes did not meet the required standard during the 2025-26 financial year. The Clerk & RFO and Council members are reminded that the Minutes of a council are the permanent legal record of its business. Therefore, the Minutes are required to properly record all business transacted using a unique Minute reference which could be used to identify a Resolution should there be a legal requirement to do so;

The Councils Minutes failed to reach the required standard of Corporate Governance for the following matters:

a. The Minute referencing is inconsistent, and minute references have been duplicated within the Minutes of a meeting.
b. There is no record of the Council's 2026-27 Budget or Precept having been formally Resolved and Approved during the 2025-26 financial year.
c. We have been advised by the current Clerk & RFO that the Any Other Business has been included on the Council's Agenda and Minutes from at least June 2021 onwards, this is outside the scope of the 2025-26 financial year audit and should have been identified by the previous Internal Auditor(s). For the avoidance of doubt this practice is unlawful and must cease forthwith.
d. Financial reporting, which is required to be complete and transparent, is inadequate.
e. No Schedules of Payments have been recorded in the Council's Minutes or attached to them as an Appendix since December 2025. This is unlawful. A Council is required to publish all its financial transactions under the Information Commissioner's Model publication scheme for Public Authorities.

R.03 The Council must ensure that henceforth the Council's Minutes are referenced correctly, we would suggest a format such as LPC/001/25-26 being the first Minute of the Municipal Year with the last Minute being that of the last item of business transacted by the Council in March: LPC/999/25-26 for example.

R.04 The Council must pay close attention to its financial reporting which was not of an acceptable standard during the 2025-26 financial year. We suggest that financial matters should be recorded as follows:

LPC/101/25-26 FINANCIAL MATTERS

(a) Members Received and Approved the Bank Reconciliation statements for the Unity Trust Bank current account as at the 31st of March 2027 with a closing balance of £xx.xx.

(b) Members Received and Approved the Bank Reconciliation statements for the Unity Trust Bank deposit account as at the 31st of March 2027 with a closing balance of £xx.xx.

(c) Members Received and Approved the corresponding Statements for the Unity Trust Bank current and deposit accounts as at the 31st of March 2027.

(d) Members Received and Approved the Schedule of Payments to the 31st of March 2027 as recorded, in the amount of £xx.xx, and initialled the payment documents, including invoices and receipts, as having been Approved. The Schedule of Payments must include the following detail: Invoice number, Supplier name, description of goods or services, net, VAT, gross amounts.

(e) Members Received and Noted the Receipts & Payments report by cost centre to the 31st of March 2027. *(It is not sufficient to state that Members approved the accounts).*

(f) Members received and noted the Proper Officer's Budget vs. Actual report to the 31st of March 2027. (*Quarterly basis only*).

General Data Protection Regulation & Data Protection

Noted that the Council has very limited General Data Protection Regulation (GDPR) or Data Protection Policies in place. We have advised the Clerk & RFO, Chair of the Council and Councillor responsible for Finance that the GDPR and Data Protection Legislation was significantly amended on the 19th of June 2026.

As a public authority, which exchanges emails and other communications, with members of the public, and which is required to retain a wide range of documentation in hard copy and electronically the Council is required to have a reasonable and proportionate General Data Protection Regulation policy, (GDPR) Data Protection Policy and associated Internal Controls in place including a Document Retention Policy.

R.05 We strongly encourage the Clerk & RFO to draft an appropriate suite of GDPR and Data Protection policies for Scrutiny and onward Approval by Council Members. Further, a Document Impact Assessment should be undertaken and subsequently a Document Retention policy should be drafted and maintained by the Clerk & RFO to ensure that all council documentation, either electronic or hard copy are secured and maintained appropriately for the correct period of time.

Social media & electronic communications policy

The Council's currently Adopted Recording, Photography & Social Media Policy primarily addresses the conduct of members of the public attending Council meetings. The Council should address the use of social media and electronic communications by its members.

R.06 The Clerk & RFO should draft a Social Media and Electronic Communications Policy, as described, for onward scrutiny, approval and adoption by Parish Council Members.

General Power of Competence

R.07 Whilst the Council remains ineligible to adopt the General Power of Competence, the Statutory Power under which Grant Aid is awarded to applicants, <u>must</u> be recorded in the Resolution to make the award, remembering that LGA 1972 s.137 is the Power of Last Resort.

Any Other Business (AOB)

R.08 The term Any Other Business may **<u>never</u>** be used on a Council's Agenda or in its Minutes. The only items of business which may be discussed are recorded on the Council's Agenda which is required to be published three working days prior to the meeting to be held.

The inclusion of 'Any Other Business' perverts the democratic process as the failure to disclose the business being discussed on the formal Agenda could facilitate Resolutions being made that members of the electorate have a legitimate interest in.

Outcome - Corporate Governance

Limited Assurance

7. Year-end Independent Internal Audit

Internal control objective 'A'

'Appropriate accounting records have been properly kept throughout the financial year.'

The objective in this area of review is to ensure that the accounting records are being maintained accurately and currently, and that no anomalous entries appear in the financial ledgers.

Finance systems

The Council has maintained its financial records using Xero.

To meet the above objectives, we have: -

- Noted that the position of the Clerk & RFO was held by two persons during the 2025-26 financial year. From April 2025, the post of Clerk and RFO was held by an incumbent of many years until the holder summarily resigned in September 2025. During this time, the Clerk was nominally RFO but the Councillor with responsibility for Finance undertook much of this function including financial administration functions in Xero; financial reporting, budget preparation and electronic payment of invoices. From September 2025, the Councillor with responsibility for Finance assumed the full RFO role whilst a replacement was recruited, and continued in the RFO role until the 31st of March 2026. The role of Clerk has undertaken by the Chair and Vice-Chair until the new Clerk & RFO in post was appointed in January 2026.
- Checked and verified that the closing balance for the 2024-25 financial year was correctly brought forward as the opening balance of the 2025-26 financial year;
- Noted that as Xero does not have a facility to create Accounting Statements as required in Section 2 of the Annual Governance & Accountability Return (AGAR), the Cashbooks have been exported into a Microsoft Excel Spreadsheet Cashbook which also contains the year-end Cash & Investment Reconciliation Statement and fully auditable Section 2 Accounting Statements;
- Noted that the coding structure was sufficient to provide basic standardised financial reporting, with VAT recorded correctly;
- Noted that any person in the Clerk & RFO role was and is able to make payments directly from the Council's Bank account themselves. This is a breach of Financial Regulations and does not meet the requirement for a proper segregation of duties;
- Noted that the Council only conducts transactions electronically. This process is not compliant with the Council's currently adopted Financial Regulations, which have not been updated since 2018 and is Unlawful; and,
- Checked and verified all transactions, including inter-account and inter-bank transfers, on the four Xero cashbooks for the 2025-26 financial year from the 1st of April 2025 to the 31st of March 2026 with no matters arising.

Bank and building society accounts

The Council retains the public funds under its management in four separate accounts:

Cashbook 1: Co-operative Bank current account

Cashbook 2: Cambridge & Counties 31 day savings account

Cashbook 3: Unity Trust Bank instant access savings account

Cashbook 4: Unity Trust Bank 95 day savings account

We noted that all correspondence was addressed to the Councillor with responsibility for Finance's home address. This is not appropriate. All banking correspondence must be addressed to the Clerk & RFO at the Council's proper address.

Investments and Loans

The Clerk & RFO has Certified that as at the 31st of March 2026 the Council retains no public funds in other investments and has no loans owed either by it, or to it.

Credit and Debit cards

The Clerk & RFO has Certified that during the period of the 01st of April to the 31st of March 2026 the Council held four debit cards which were issued to the Clerk & RFO, the Chair of the Council, the Vice Chair of the Council and the Councillor responsible for Finance. This is inappropriate. Only the Clerk & RFO should be issued with any form of bank card.

Finance Systems

The Council's Receipts and Payments accounts were maintained in Xero during the 2025-26 financial year. Xero does not produce the required Section 2 Accounting Statements required to be submitted in the Annual Governance and Accountability Return.

The financial records maintained in Xero had to be exported into Microsoft Excel Spreadsheets and then combined into a 'year-end' Microsoft Excel Workbook for the 2025-26 financial year. Whereas we have checked and verified this book with no matters arising. Such a process is laborious, open to error and effectively forces a double audit as we have had to review both the Xero reports and then the reports contained in the Council's year-end Workbook for the 2025-26 financial year to check and verify the proper disclosure of the year-end balances.

Conclusion & recommendation

R.09 We strongly suggest that the Council considers availing itself of proper sector specific accounting software which will allow the Clerk & RFO in office to produce proper monthly reports and the year-end accounting statements and variance reports with little effort and with a high level of accuracy.

Sector Specific products include:

- Alpha from Rialtas Business Solutions Ltd
- Edge from AdvantEdge Software Ltd
- Scribe from Scribe Accounts Ltd

Outcome - Internal Control Objective 'A'

Substantial Assurance:

Internal control objective 'B'

'This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.'

The objective in this area of review is to ensure that Council resources are released in accordance with the Council's adopted Standing Orders, Financial Regulations, budgets and other approved procedures, that payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available, that correct analysis codes have been applied to invoices when processed, and that VAT has been appropriately identified and coded to the control account for periodic recovery.

To meet the above objectives, we have: -

- Noted that the Council has not had any requirement to enter into a formal tender process during the period of the 1st of April 2025 to the 31st of March 2026;
- Checked and verified that all quotations undertaken during the period of the 1st of April 2025 to the 31st of March 2026 appear to have been undertaken in accordance with the Council's currently adopted Standing Orders and Financial Regulations;
- Noted that due to the relatively low number of transactions, that no Purchase Order system is in place, with significant purchases being placed by the Clerk & RFO via email;
- Conducted a Review of Expenditure to ensure compliance with the Council's currently adopted Financial Regulations and the requirements of the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners Guide. A total of 21 payment documents were checked and verified with no matters arising. The payment sample represented 63% of all non-payroll related by value, in the amount of £70,081.68 with two non-compliances: on the 16th of July 2025 an invoice in the amount of £131.27 was settled in the amount of £13,127.00. The overpayment was refunded to the council within 30 days, a payment in the amount of £14.99 dated the 09th of September had no supporting documentation;
- Noted that during the 2025-26 financial year from the 1st of September the Councillor with responsibility for Finance had input sales and purchase invoices into Xero upon receipt. Subsequently a Schedule of Payments is created from Xero, which is presented to Members at a Parish Council meeting, with the corresponding payment documents for their scrutiny and approval. Upon approval, the Clerk & RFO pays the Creditors via the Council's current bank account. This process is not compliant with the Council's currently adopted Financial Regulations;
- Noted that VAT has been properly recorded in the Council's Xero cashbook;
- Noted that the Council's reclaims VAT on an annual basis via an s.126 VAT reclaim. The total VAT received during the 2025-26 via s.126 VAT reclaim in respect of the 2024-25 financial year was in the amount of £2,670.89 which was received to bank on the 25th of July 2025.

Conclusions and recommendations

There are several matters of non-compliance in relation to the Council's current financial administration. We have commented on these with corresponding recommendations for improvement below:

Financial Regulations

The Council's currently adopted Financial Regulations, which as noted earlier in this report, have not been reviewed or revised after the 2017-18 financial year only permit the payment of Creditors by Cheque. Payment of Creditors by any other means is therefore 'Unlawful'.

The Council's currently adopted Financial Regulations require two Council Members to approve each Cheque / Payment. Currently, the Clerk & RFO and all other signatories on the Council's bank account mandates are able to unilaterally make payments to creditors, by electronic funds transfer. This method of payment is not only 'Unlawful' it also presents an unacceptable risk to the public funds under the Council's management.

We are advised that neither the chair or vice chair have undertaken any transaction on the Council's bank accounts since being confirmed in office in May 2024, nor have been asked to authorise any payment. The Chair had made two emergency authorisations for 'mole treatment' in the playing field not exceeding £300.00 as per the currently adopted Financial Regulation Emergency Payments.

R.10 The Clerk & RFO must obtain the latest NALC model Financial Regulations and amend them according to the Council's requirements prior to presenting the draft to Parish Council Members for their onward scrutiny, approval and subsequent adoption.

R.11 The Clerk & RFO must ensure that banking facilities are amended so that no one with bank authorisation may unilaterally make payments from the Council's bank accounts to Creditors or to transfer funds from one Financial Institution to another. To ensure proper segregation of duties, the Clerk & RFO must be able to load payments for authorisation by two Council Members upon the payments having been approved at a meeting of the Parish Council.

R.12 We strongly recommend the Council to close its debit card facilities for security reasons as previously discussed and to obtain a credit card with a monthly transaction limit of £1,200.00 the upper emergency expenditure limit as defined in the model Financial Regulations.

R.13 We strongly recommend the Council obtain a pre-paid credit card (which operates in a similar manner to an electronic petty cash system) with a de minimus credit limit of £250-£500 for example, to be used to make internet payments.

R.14 We strongly recommend the Council consider opening a Churches, Charities and Local Authorities Public Sector Deposit Fund (CCLA PSDF) to deposit its Reserve funds. This is a robust and performant finance account utilised by a great many councils in England and in Wales. Other investment opportunities are available.

Due to the fact that the Council has made payments to Creditor electronically throughout the whole of the 2025-26 financial year *(a practice we are advised has been in place since at least 2021)* and that the Councillor with responsibility for Finance has made payments unilaterally from the Council's current bank account, both activities which are not compliant with the Council's currently adopted Financial Regulations, leading to a total failure of Internal Controls, we are required to record a negative assertion against Internal Control Objective 'B'.

There are no other matters affecting this opinion.

Outcome - Internal Control Objective 'B'

No Assurance

Internal control objective 'C'

'The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.'

The objective in this area of review is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature. We also aim to ensure that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition.

To meet the above objectives, we have: -

- Noted that the Council has not been able to present a Health and Safety Risk Register for the purposes of Internal Audit. Further we have been advised by the Clerk & RFO that none has been maintained during the 2025-26 financial year;
- Noted that the Council has not been able to present a Business Risk Register for the purposes of Internal Audit. Further we have been advised by the Clerk & RFO that none has been maintained during the 2025-26 financial year;
- Examined the Council's insurance policy to ensure that appropriate cover is in place: Cover is provided by Ecclesiastical under a Clear Council's Policy; policy number LCO01368 with the period of cover running continuously from the 01st of June 2025 to the 31st of May 2026. Key features of the Cover provided are as follows:

Street Furniture	£36,000.00
Playground Equipment	£60,000.00
War Memorial	£36,000.00
Sports Equipment	£12,000.00
Public & Products Liability	£10,000,000.00
Employers Liability	£10,000,000.00
Trustees & Management Liability	£25,000.00
Fidelity Guarantee	£250,000.00
Loss of Money	£250,000.00
Legal Expenses	£250,000.00
Reputational Risk	£25,000.00

  We note that the Council had not formally reviewed the Key Facts of its policy with Ecclesiastical for some time and that the policy was led on the basis of having fewer than 1,000 residents rather than the 1,100 residents it had. The Council was advised that renewing its policy based on incorrect Key Facts would invalidate it. Further the Cemetery Chapel is currently not covered by the Council's insurance and requires a formal valuation for insurance purposes. The Council's Insurance cover cannot be said to have been adequate during the 2025-26 financial year; and,

- The Council owns and leases a tennis court and recreation ground on a ninety-nine year lease from the National Trust;

- The Council is responsible for the Corsham Road children's playground which is inspected annually by RoSPA;
- Council Members, who are not current Playground Inspector trained, undertake periodic playground inspections;
- Defects at the playground or with playground equipment are advised informally and without a proper report or are advised at council meetings by the councillor with responsibility for the playground when decisions are taken to seek quotes for repairs and/or maintenance, and remedial works agreed;
- The Council does not currently retain the Playground Inspection reports for the mandatory period of eighteen plus three years (21 years); and,
- The Council does not hold a playground management policy.

Conclusion and recommendations

There are a number of matters arising from this area of review warranting formal comment and recommendation which we have addressed below.

Risk management and mitigation

All Councils are mandatorily required to assess the significant risks to achieving its objectives and to review the adequacy of arrangements to manage these in the Annual Governance and Accountability Return: Internal Control Objective 'C'. Further the SAPPP 2025 Practitioner's Guide requires Council's to review their Risk Registers at least once, annually.

The Council has not been able to provide any Risk Register, Risk Assessment or Risk policy for review during the 2025-26 financial year internal audit and there is no evidence in the Council's approved and published minutes of any review of form of Risk Management or Mitigation process having taken place.

For this reason, we are required to record a negative assertion against Internal Control Objective 'C'

R.15 The Clerk & RFO must draft, we suggest, a combined Health & Safety and Business Risk Register representing the Council's Risk Mitigation strategy. This must be placed before Council Members for their onward scrutiny, approval and adoption as soon as possible.

R.16 The Council's Risk Register must be reviewed, and formally readopted, we suggest at the Annual Parish Council Meeting.

R.17 We strongly recommend that individual risk assessments be conducted for any community event organised by the Council, and obtained from any third party organisation using the Council's facilities.

R.18 We strongly recommend that the Council requires organisers of events on their premises provide a proper risk assessment to the Council along with a copy of their Public Liability Insurance and other relevant licences required.

R.19 We recommend that the Clerk & RFO and Council Members keep Martyn's Law in mind when organising events, or giving permission to external parties who wish to use Council facilities for their own events.

Children's playground

Every Council that is responsible for the management and maintenance of a Children's playground has statutory duties that it **must** perform.

R.20 The Council must delegate a person, or persons, to undertake regular visual playground inspections.

R.21 Any person undertaking playground inspections on behalf of the Council should be sent on a Playground Inspectors course, available from RoSPA and other organisations.

R.22 The results of the regular visual playground inspection must be recorded on a 'playground inspection form'. The form must be returned to the Clerk & RFO for review and action if required. Even where no defect is identified, the form must be returned to the Clerk & RFO for their retention.

R.23 All annual and regular playground inspection reports **must be** retained for the statutory period of eighteen plus three years - twenty-one years. The reports may be retained as hard copy or electronically;

R.24 We strongly recommend that the Clerk & RFO drafts a Playground Management Policy and presents this to Council Members for their scrutiny, approval and adoption.

Outcome - Internal Control Objective 'C'

No Assurance

Internal control objective 'D'

'The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.'

The objective in this area of review is to ensure that the Council has determined its annual budget based on sound assumptions of intended spending, that reasonable and proportionate funding is available to meet future spending plans, and that Members are kept aware of actual budgetary performance during the course of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund.

To meet the above objectives, we have:

- Noted from our review of the Council's Minutes that Members note the bank balances at each meeting of the Parish Council;
- There is no evidence in the Council's approved and published minutes that any form of budget monitoring has been undertaken during the 2025-26 financial year. The new Clerk & RFO in post has advised us that the Budget monitoring spreadsheet, provided in support of this audit was reviewed on a monthly basis. We take this opportunity to advise the Clerk & RFO and Council that the Approved and Published Minutes of a Council are the legal record of every council's business. If there is no record of such review being recorded in the Minutes, there is no audit trail to confirm a review took place;
- Noted that the Clerk & RFO and Members undertook a Budget setting and Precept determination process throughout during the latter months of 2025 and into January 2026. Subsequently the Council established a Budget and Precept for the 2026-27 financial year in the amount of £41,529.25 representing a 3.4% increase above the prior year Precept;
- There is no record of either the Budget or the Precept being formally resolved in the Council's Approved and Published Minutes, only that members unanimously resolved to submit the Precept demand on Wiltshire Council during the 12th of January 2026 meeting of the Parish Council;
- Noted that the Council has two formally constituted earmarked reserves in the amount of £67,007.19 as at the 31st of March 2026;
- Noted that the year-end outturn as at the 31st of March 2026 was as follows:

Co-op Bank Current Account	£5,620.76
Cambridge & Counties Bank 31 day Deposit Account	£118,835.91
Unity Trust Bank Instant Access Account	£6,035.84
Unity Trust Bank 95 day Savings Account	£30,282.31
Total Cash at Bank as at 31.03.26	**£160,792.82**
Earmarked Reserves	£67,007.19
General Reserve as at 31.03.26	**£93,785.63**
Total FY2025-26 expenditure	£89,740.73
Average Monthly expenditure	£7,478.3942
Level or Retained General Reserve as months	**12.54 months**

The level of the Council's General Reserve as at the 31st of March 2026 was approximately twelve and a half month's retained reserve at the average prior year monthly rate of expenditure. The level or Retained Reserve retained by the council sits above twice the upper level of the Chartered Institute of Public Finance & Accountancy (CiPFA) guidance to retain between three and six months retained reserves whilst the SAPPP gives greater latitude with guidance to retain between three and twelve months; and,

- We have checked and verified the Proper Officer's Variance Report for the 2025-26 financial year with no matters requiring further investigation or explanation.

Conclusions and recommendations

Parish Councils are legally required to prepare an annual budget before setting their Precept (the amount of council tax to raise to fund the Council's annual operations).

Budget Preparation and Approval

It is a Statutory Duty for Councils to prepare a budget covering the financial year from 1 April to 31 March. This is a mandatory requirement of 'proper practices' under the SAPPP Practitioners' Guide. The Clerk & RFO is required to present a draft budget to Council Members during the November and/or December Parish Council meetings. The budget must be formally Resolved by the full Parish Council before the precept can be legally set and recorded, in full, in the Council's approved and published minutes.

Precept Calculation and Collection

The Balancing Figure: The precept is calculated as projected expenditure minus other estimated income and any transfers from any reserves. It is the "balancing figure" needed to cover the budget for the forthcoming financial year. Once the Precept has been formally Resolved by the full Parish Council and recorded, in full, in the Council's approved and published minutes, the Clerk & RFO is instructed by Council Members to submit the Precept demand on the Principal Authority *(Wiltshire Council).*

Financial Management and Reserves

All Councils are required to monitor their budget vs. actual performance on at least a quarterly basis, reviewing progress against the budget, comparing actual to budgeted expenditure. Councils may hold Retained Reserves (*CiPFA guidance between 3 & 6 months expenditure)* to cover unexpected costs or smooth cash flow. Earmarked reserves can be held for specific future projects. Whilst there is no legal cap on Precept increases, councils are expected to demonstrate restraint and justify significant rises to residents.

There is no clear evidence to support the Council's 2026-27 3.4% Precept increase based on the level of retained General Reserve held by the council. Especially noting that the Council's annual expenditure was artificially inflated by a £45,624.99 refund which had to be paid to Wiltshire Council in respect of incorrectly disbursed CIL funds and an invoice overpayment in the amount of £12,995.73. For this reason and the failure of the Council to undertake formal budget monitoring during the 2025-26 financial year we are required to record a negative assertion against Internal Control Objective 'D'.

R.25 The Clerk & RFO and Council members must ensure that henceforth the Council undertakes formal budget monitoring, on at least a quarterly basis, and that the Budget setting is compliant with the requirements of 'proper practices' as recorded in the SAPPP Practitioners' Guide.

R.26 The Clerk & RFO should draft a Budget setting and precept determination process policy with a meeting timeline to ensure that the requirements and deadlines for the 2027-28 financial year are clearly communicated to, and understood by Council Members.

R.27 The Clerk & RFO should review the Rialtas 'How to set the perfect budget' presentation when practicably possible. *(Provided under separate cover).*

R.28 The Clerk & RFO should undertake a Budget setting course with SLCC and or CiPFA.

Outcome - Internal Control Objective 'D'

No Assurance

Internal control objective 'E'

'Expected income was fully received, based on correct prices. properly recorded and promptly banked; and VAT was appropriately accounted for.'

The objective in this area of review is to ensure that the Council maintains appropriate records to ensure that all income due to the Council is identified, invoiced accordingly, and recovered within an appropriate time scale.

To meet the above objectives, we have: -

Noted that in addition to the Precept the Council receives supplementary income from a relatively limited variety of sources including CIL funds, occasional grants and donations, VAT Reclaims and Bank Interest. The Council offers chargeable services in relation to cemetery fees, allotment fees, sports pitch and recreation field hire fees.

Precept FY2025-26

The Council received a Precept in the amount of £40,158.35 during the 2025-26 financial year.

RWE Renewables (solar)

The Council received Solar Energy income of £35,000.00 during the 2025-26 financial year.

CIL Funds

The Council received CIL funds in the amount of £32,007.19 during the 2025-26 financial year.

Cemetery Income

The Council received Cemetery income in the amount of £2,293.50 during the 2025-26 financial year.

Bank Interest

The Council received interest payments on its Cambridge & Counties Bank Savings Account, and two Unity Trust Bank Accounts in the amount of £2,350.75 during the 2025-26 financial year.

National Trust

The Council received a grass cutting contribution in the amount of £1,551.50 during the 2025-26 financial year.

Lacock Cricket Club

The Council received Cricket Club income in the amount of £510.00 during the 2025-26 financial year.

Lacock Athletic FC

The Council received Football Club income in the amount of £350.00 during the 2025-26 financial year.

Allotments

The Council received Allotment (water supply) income of £343.82 during the 2025-26 financial year.

HMRC VAT Reclaims

The Council received four VAT s.126 Reclaim in respect of the 2024-25 financial year, in the amount of £2,670.89

Excluding the refund of £12,995.73 in respect of the overpayment made by the council to a Creditor and the receipt of £45,624.99 of CIL funds incorrectly paid to the Council by Wiltshire Council which were immediately refunded, the Council received total income during the 2025-26 financial year of £117,236.00.

We noted that there is no record of the Council reviewing its fees and charges for services recorded in its approved and published Minutes during the 2025-26 financial year.

Conclusion and recommendation

We remind the Clerk & RFO and Council Members that it is considered best practice for Councils to review its fees and charges during the annual Budget Setting and Precept Determination process and to record the outcome of the review in the Council's approved and published Minutes, even when the Council Members Resolved not to increase the Council's fees.

R.29 We strongly recommend the Clerk & RFO and Council Members review the Council's fees and charges for its services at least once annually during the Budget Setting and Precept Determination process, and to record the outcome of the Council's review in its approved and published minutes.

Outcome - Internal Control Objective 'E'

Adequate Assurance

Internal control objective ‘F’

‘Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved, and VAT appropriately accounted for.’

The objective in this area of review is to ensure that the Council manages its Petty Cash system(s) in accordance with its adopted Financial Regulations, that items purchased are suitable for the Council’s use, transactions are correctly recorded in the Council’s cashbooks, that VAT is identified for recovery where appropriate and that the Petty Cash account is reconciled on an appropriate basis.

The Council does not operate a Petty Cash System, with all incidental payments being made via the Council’s issued Debit Cards. Out of pocket expenditure must be reclaimed via a formal expense claim which is settled electronically.

Conclusion

There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective ‘F’

Not Applicable

Internal control objective '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.'

The objective in this area of review is to ensure that the Council is appropriately observing legislation with regard to the Employee Rights Act 1998 and the requirements of HMRC legislation as regards the deduction and payment of income tax and NI contributions, together with meeting the requirements of the LGPS.

To meet the above objectives, we have: -

- Noted that during the 2025-26 financial year from the 01st of April 2025 to the 31st of March 2026 the Council employed two persons both in the position of Clerk & RFO;
- The Council did not employ Clerk & RFO from the 01st of October to the 31st of December 2025;
- Noted that the new Clerk & RFO in post holds a NALC Model Contract of employment;
- Noted that the Clerk & RFO was contracted on LC2 range at SCP23 increasing to SCP24;
- Noted that no contract of employment could be identified for the previous Clerk & RFO in post;
- Noted that the Clerk & RFO was contracted on a 10 hour week, increased to a 15 hour week;
- Noted that the payroll is managed in house in Xero by the Councillor with responsibility for Finance;
- Checked and verified the Clerk's payslip for the month of September 2025 to ensure that the details recorded thereon agreed with the detail recorded in the Spreadsheet cashbook with no matters arising;
- Checked and verified the annual payroll with no matters arising;
- Checked and verified that the PAYE and NI deductions had been properly paid to HMRC and were properly recorded in the Council's Microsoft Excel spreadsheet cashbook;
- Noted that the Council is registered with the Nest Pension scheme from February 2026;
- Checked and verified the year-end payroll reports with no matters arising; and,
- Checked & verified that only direct salary costs and corresponding deductions appear in Box 4 'Staff Costs' of the 2025-26 financial year Annual Return.

Conclusion and recommendation

Local Government Pension Scheme

The new employment legislation identifies town and parish councils as designating or resolution bodies meaning they can choose which groups of employees are eligible for membership of a Local Government Pension Scheme (LGPS). It is considered Best Practice that the Proper Officer is offered enrolment in the Principal Authority's LGPS.

R.30 The Council should consider enrolling the Clerk & RFO in the Wiltshire Council Local Government Pension Scheme.

Outcome - Internal Control Objective 'G'

Substantial Assurance

Internal control objective 'H'

'Assets and Investment Registers were complete and accurate and properly maintained.'

The objective in this area of review is to ensure that the Council has prepared and maintains a register of its stock of land, buildings, vehicles, furniture and equipment as required by the Smaller Authorities' Proper Practices Panel (SAPPP) Practitioners' Guide.

To meet the above objectives, we have: -

Noted that the Council maintains its Fixed Asset Register in a Microsoft Excel Spreadsheet which is not compliant with the requirements of the SAPPP Practitioners Guide 2025 and its predecessor the JPAG Practitioners Guide 2024:

- The Council's assets have previously been subject to straight line depreciation, have not been recorded net of VAT, delivery and installation fees. Asset values were recorded incorrectly;
- There were no separate columns for acquisition and disposal dates making the calculation of the Fixed Asset Value impossible to calculate automatically;
- Assets of unknown purchase cost were previously recorded at an estimated value;

The Clerk & RFO has revised the 2025-26 financial year Fixed Asset Register in accordance with the requirements of the 2025 SAPPP practitioners guide. The Fixed Asset Value for the 2024-25 financial year, after the removal of the applied depreciation and corrections, should be **restated** in the amount of £73,886.00

Original Fixed Asset Register Value as at 31.03.25	£22,377.00
Restated Fixed Asset Register Value as at 31.03.25	£79,263.00
In-year acquisitions	£2,302.00
In-year disposals	£0.00
Closing balance as at 31.03.26	**£81,566.00**

Without conducting a physical examination of the Council's Assets, we are reliant on the Clerk & RFO's assertion as to the accuracy of information contained on the corrected Fixed Asset Register, which declares a Fixed Asset Value of £81,566.00 as recorded above. We note that the register may need to be restated again in 2026-27 as we are advised that a full asset check will be conducted during the 2026-27 financial year.

Conclusion and recommendation

The Council's current Fixed Asset Register is not of an appropriate design for the Council's current and ongoing requirements.

R.31 The Clerk & RFO should avail the council of the SLCC's template Fixed Asset Register which is appropriate to record the assets of a Council of Lacock Parish Council's size.

Outcome - Internal Control Objective 'H'

Adequate Assurance

Internal control objective 'I'

'Periodic bank account reconciliations were properly carried out during the year.'

The objective in this area of review is to ensure that the Council conducts regular reconciliations of the bank, building society and other investment accounts in which it maintains the public funds raised by taxation. That these reconciliations along with the corresponding account statements are presented to Members for their scrutiny and approval with that being recorded in the Minutes of the Full Council or its Committees.

To meet the above objectives, we have:

- Noted that during the 2025-26 financial year, the Councillor with responsibility for Finance reconciled all the Council's financial accounts on a monthly basis in Xero;
- Checked and verified the Bank Reconciliations on the Council's Co-op Bank, Cambridge & Counties Bank and Unity Trust bank accounts for the 2025-26 financial year, for the period of the 1st of April 2025 to the 31st of March 2026;
- Noted that the 31st of March 2026 Unity Trust Bank reconciliation statements were incorrect as the cashbooks were not reconciled to the 31st of March 2026 and had not included two interest payments. Further an interest payment and a bank charge had been offset against each other rather than the payment and receipt being recorded uniquely and completely. These matters were corrected by the Clerk & RFO;
- Noted that the year-end combined Cash and investment reconciliation was completed in the Council's FY2025-26 year-end Accounting Statements with no matters arising; and,
- Noted that the bank reconciliation statements are presented at each monthly meeting of the Parish Council and subject to scrutiny and approval by Council Members with their resolution being properly recorded in the Council's Minutes.

Conclusion and recommendation

The Clerk & RFO is reminded that all cashbook reconciliation statements must record the closing bank balance on the last working day of each month. Further, all bank transactions must be recorded uniquely and correctly and may not be offset against each other or grouped in any way whatsoever.

R.32 The Clerk & RFO must ensure that henceforth all cashbook reconciliation statements are conducted to reflect the closing balance on the last working day of the month.

R.33 The Clerk & RFO must ensure that all transactions are recorded uniquely and correctly and may not be offset or grouped.

Outcome - Internal Control Objective 'I'

Adequate Assurance

Internal control objective '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 audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

The Council's accounts are managed in Xero which produces basic cashbook reports and a Receipts and Payments report. We have examined and consider these reports reflect the full-year's transactions as recorded therein.

The Xero cashbooks have been exported into a Microsoft Excel Workbook to produce the 2025-26 financial year AGAR Section 2 Accounting Statements which have been checked and verified for the period of the 01st of April 2025 to the 31st of March 2026 with reference to prime documentation:

We have checked and verified the Closing Balance for the 2025 financial year, as at the 31st of March 2025 against the Opening Trial Balance for the 2025-26 financial year as at the 1st of April 2025 ensuring that the cashbooks remained in balance, with no matters arising.

Further, we checked and verified all the Council's four Xero Cashbooks at a 'line-item' level comprising the totality of its financial records from the 01st of April 2025 to the 31st of March 2026, with reference to the supporting prime documentation, i.e. electronic copies of the bank statements, payment documents, remittance advices and the Council's published Minutes with no matters arising.

We also have checked and verified the Closing Balance as at the 31st of March 2026, again against primary documentation, ensuring that the cashbooks remained in balance, with no matters arising. Finally, in this area of review, we have checked and verified the detail of the Annual Accounting statements with no matters arising.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective 'J'

Substantial Assurance

WGW

Internal control objective ‘K’

‘If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2024-25 AGAR tick “not covered”)*.’

The objective in this area of review is to ensure that the Council is to ensure that where a council has certified itself as exempt from a limited review in the prior financial year, it met with the exemption criteria to do so.

Lacock Parish Council has a turnover in excess of £25,000.00 and as such it does not meet the exemption criteria. The Council was subject to a limited assurance review of its 2024-25 Annual Governance and Accountability Return (AGAR) as required by statute.

Conclusion

There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective ‘K’

Not Applicable

Internal control objective ‘L’

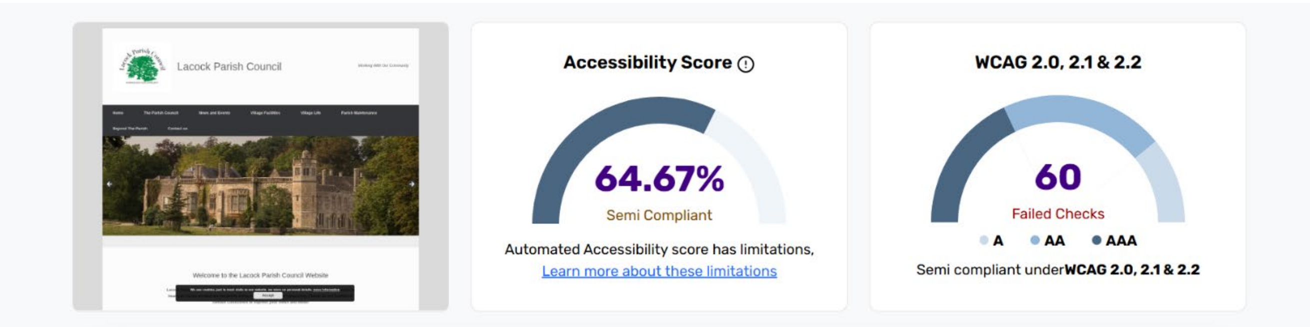
‘The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.”

The objective in this area of review is to ensure that the Council has met its statutory requirements to publish all required documentation on its official website in accordance with the relevant legislation in place at the time of the audit.

The Council maintains its official website on a JSEC approved server, under the domain https://www.lacockparishcouncil.gov.uk. The Clerk & RFO and Council Members have been issued with dedicated email addresses name@lacockparishcouncil.gov.uk for Council business use. The following information is published on the website:

- Agenda and Minutes for the 2025-26 financial year and previous years;
- The Parish Council’s diary of meetings;
- Profiles of the Parish Councillors and their portfolios with hyperlinks to their electronic Register of Interest;
- AGAR, Accounting Statements and Audit documentation for the 2024-25 financial year and previous years;
- Notice of Conclusion of Audit for the 2024-25 financial year and previous years;
- Standing Orders, Financial Regulations & Code of Conduct;
- Policy documents; and,
- Information about the Council, its assets, responsibilities and local news.

The Council’s official website is only semi compliant (64.67%) with the current Accessibility Legislation WCAG 2.2 AA Legislation, noting that the website has a published Accessibility Statement:



We have attached the corresponding WCAG 2.2AA Compliance Test report to this Internal Audit Report as Appendix ‘A’

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective ‘L’

Substantial Assurance

Internal control objective ‘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 *(during the 2025-26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approve minutes confirming the dates set).’*

The objective in this area of review is to ensure that the Council has met its statutory requirements to establish and publish the Notice for the Exercise of Public Rights properly, and for the correct period of time.

The Chair has certified that Lacock Parish Council did not post the Notice for the Exercise of Public rights for the 2024-25 financial year AGAR and Accounts, on either the Council’s noticeboard or its official website. The Chair was unaware of the requirement to publish this information and had not been advised of the necessity to do so by the previous Clerk & RFO in office.

For this reason, we are required to record a negative assertion against Internal Control Objective ‘M’

Conclusion & recommendation

The Notice of the Period for the Exercise of Public Rights

We take this opportunity to remind the new Clerk & RFO in post that the Notice of the Period for the Exercise of Public Rights is required to be established each year for the statutorily required period of thirty (30) working days, including the first ten (10) working days in July. It is considered best practice to Resolve to Approve the Notice of the Period for the Exercise of Public Rights at the same meeting of the Parish Council that the AGAR and supporting documentation is approved.

The date of the announcement of the Notice must be at least one clear day before the Period for the Exercise of Public Rights commences.

R.34 The Clerk & RFO and Council Members must ensure that henceforth the Notice of the Period for the Exercise of Public Rights is established each year at the same meeting where the AGAR and supporting documents are approved.

R.35 A Resolution must be made to instruct the Clerk & RFO to publish the Notice on the Council’s Notice Board and its official website.

R.36 The Notice of the Period for the Exercise of Public Rights for the 2025-26 financial year must be Resolved at the Extraordinary Parish Council Meeting where the Internal Audit Report and the AGAR Submission is approved and adopted to commence on the next working day and to run for exactly thirty working days excluding Saturdays, Sundays and any Bank Holiday.

Outcome - Internal Control Objective ‘M’

No Assurance

Internal control objective 'N'

'the authority has complied with the publication requirements for the 2024/25 AGAR *(see AGAR Page 1 Guidance Notes)*.'

The objective in this area of review is to ensure that the Council has met its statutory requirements to publish the Notice of Conclusion of Audit, after the Receipt of the External Auditor's certificate and report.

To meet the above objectives, we have:

- Noted that the Council received a Qualified External Auditor's report *(PKF Littlejohn)* and certificate, in respect of the 2024-25 financial year, from auditor dated the 14th of September 2025;
- Noted that the Announcement of the Notice of Conclusion of Audit was made on the 18th of September 2025, by the previous Clerk & RFO in post;
- Noted that the AGAR, External Auditor's Certificate and report and the Notice of Conclusion of Audit for the 2024-25 financial year are published on the Council's official website; and,
- Checked and verified with the Chair that the Notice of Conclusion of Audit for the 2024-25 financial year was published prominently on the Council's Noticeboard.

Conclusion

There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective 'N'

Substantial Assurance

Internal control objective 'O'

The authority has complied with laws, regulations and proper practices relating to digital and data compliance.

The objective in this area of review is to ensure compliance with data protection regulations for, smaller authorities: That the Council has appointed a Data Protection officer to oversee data protection and ensure compliance with GDPR, to conduct regular data audits to identify what personal data is held, how it is used and make sure it is processed lawfully, to implement a Data Protection policy on data handling, storage and sharing, to provide regular training to ensure all staff and members are trained on data protection principles and practices and to ensure that the Council's data is secured using appropriate technical and organisational measures to protect personal data from breaches.

To meet the above objectives, we have:

- Noted that the Council is registered as a Data Registrant with the Information Commissioner's Office (ICO), Registration Reference ZA410993;
- Noted that the Council does not have a nominated Data Protection Officer;
- Noted that the Council has Adopted and Published a Publication scheme based on the ICO's Model Publication Scheme for Public Authorities;
- Noted that all Members area issued with council e-mail addresses for exclusive use on Council business. Councillor email-addresses are published in the Councillors profile section on the Council's official website;
- Noted that the Council has a basic GDPR and Data Protection Policy which is published on the Council's official website;
- Noted that the Clerk & RFO did not conduct a Data Impact assessment during the 2025-26 financial year;
- Noted that the Council was not in receipt of any FOI request during the 2025-26 financial year;
- Noted that the Town / Parish Council has appropriate Anti-Virus software in place; and,
- Noted that the Council's documents are backed up to a secure Cloud Drive.

There is clear evidence that the Clerk & RFO and Members have taken a reasonable and proportionate approach to Information Systems security and management appropriate for a smaller council.

Conclusion

There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective 'O'

Substantial Assurance

Internal control objective 'P'

FOR LOCAL COUNCILS ONLY: Trust fund (*Including charitable)* - The Council met its responsibilities as a trustee.

The objective in this area of review is to ensure that the Council has met its statutory requirements where it acts as a trustee for any trust fund or charitable trust, including maintaining separate financial and bank accounts and making all required statutory returns to the Charities Commission and/or the HMRC.

- The Clerk & RFO has certified that Lacock Parish Council is responsible for the Bowden Hill Parish Land Trust, Charities Commission number 294583. The Trust does not hold a bank account and does not generate or expend income;
- We are advised that the Chair only became aware of the Trust's existence in October 2025.
- We have noted that the previous Councillor for Finance has submitted a 'nil return' on behalf of the Trust for the 2025 financial year;
- We have noted that prior year returns were submitted by the RFO & Clerk in post; and,
- We have checked and verified that the Trust's accounts are filed up to date with no matters arising.

Conclusion

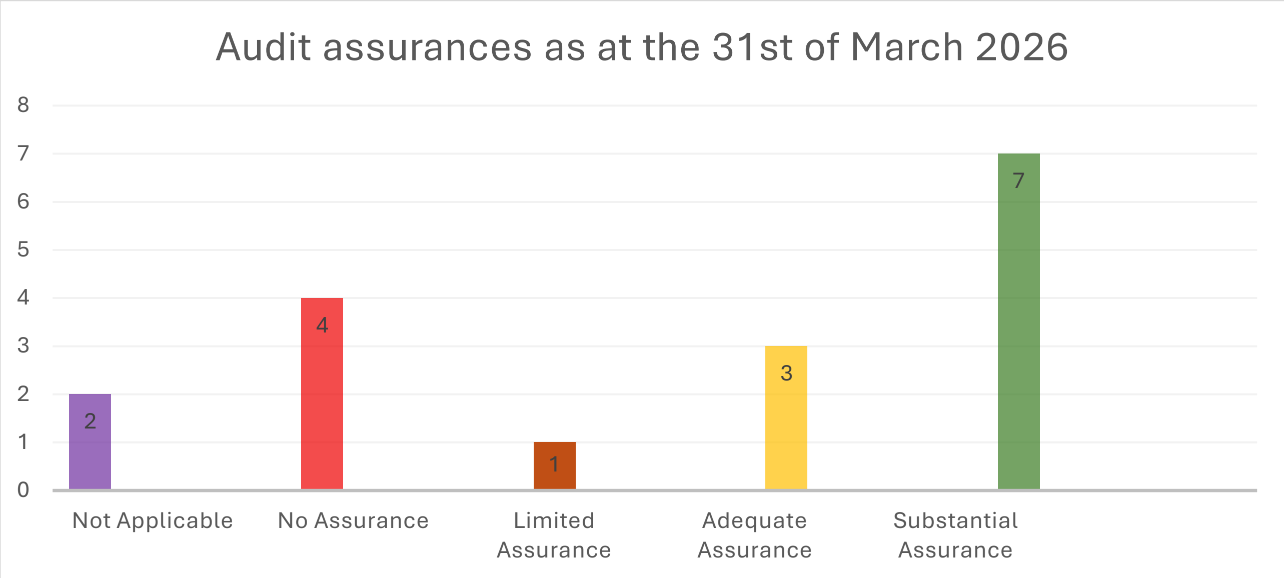
There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective 'P'

Substantial Assurance

8. Assurance review

During the year-end internal audit for the 2025-26 financial year, we have undertaken 717 separate audit tests, providing seventeen separate assurances: an enhanced review of Corporate Governance and the sixteen areas of review which correspond to the Internal Control objectives contained within the Annual Return: Annual Internal Audit Report as detailed in the chart below.



Substantial: A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified;

Adequate: Basically, a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified;

Limited: Significant weakness(es) have been identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk; or

No: Fundamental weaknesses identified in the framework of internal control, or the framework is ineffective or absent with significant risk to the achievement of system objectives.

Not Applicable: The Council does not utilise the process which is audited under this control objective. Therefore, a finding of 'not applicable' will be recorded.

9. FY2025-26 Recommendations Action Plan

Conclusions & recommendations – Enhanced review of Corporate Governance	
Standing Orders and Financial Regulations The Council's Standing Orders and Financial Regulations were last reviewed and readopted during the 2017-18 financial year; however, the documents themselves are earlier versions of the model documents and have been significantly amended. It is considered best practice that these documents, which along with the Code of Conduct effectively form the 'constitution', under which Councils operate, are reviewed at least once annually. R.01 We strongly recommend that the Council's Standing orders be reviewed annually during the Annual Parish Council Meeting, but at least every three years. Please note that the National Association of Local Councils (NALC) model standing orders explicitly state that they should be reviewed annually, or sooner, if legislative changes occur. Please note that an immediate review should occur where there are changes to relevant legislation (e.g., Local Government Act, Data Protection laws, or procurement rules) or if the council's structure changes significantly. R.02 We advise the Council that the Financial Regulations are subject to stricter scrutiny due to the nature of managing public funds. NALC model Financial Regulations mandate an <u>annual review</u> to ensure they remain fit for purpose and compliant with the latest 'proper practices'; SAPPP refers. We further advise the Council that whilst the review of this document isn't always strictly annual by law, the Annual Governance Statement (required by the Accounts and Audit Regulations) requires the council to review the <u>effectiveness of its internal control systems</u> every financial year. This effectively necessitates an annual check on whether the Financial Regulations are working as intended. **Agenda and Minutes** The Council's Agenda and Minutes did not meet the required standard during the 2025-26 financial year. The Clerk & RFO and Council members are reminded that the Minutes of a council are the permanent legal record of its business. Therefore, the Minutes are required to properly record all business transacted using a unique Minute reference which	**Comments**

could be used to identify a Resolution should there be a legal requirement to do so; The Councils Minutes failed to reach the required standard of Corporate Governance for the following matters: a. The Minute referencing is inconsistent, and minute references have been duplicated within the Minutes of a meeting. b. There is no record of the Council's 2026-27 Budget or Precept having been formally Resolved and Approved during the 2025-26 financial year. c. Any Other Business has been included on the Council's Agenda and Minutes from October onwards. For the avoidance of doubt this practice is unlawful and must cease forthwith. d. Financial reporting, which is required to be complete and transparent, is inadequate. e. No Schedules of Payments have been recorded in the Council's Minutes or attached to them as an Appendix since December 2025. This is unlawful. A Council is required to publish all its financial transactions under the Information Commissioner's Model publication scheme for Public Authorities. R.03 The Council must ensure that henceforth the Council's Minutes are referenced correctly, we would suggest a format such as LPC/001/25-26 being the first Minute of the Municipal Year with the last Minute being that of the last item of business transacted by the Council in March: LPC/999/25-26 for example. R.04 The Council must pay close attention to its financial reporting which was not of an acceptable standard during the 2025-26 financial year. We suggest that financial matters should be recorded as follows: **LPC/101/25-26 FINANCIAL MATTERS** (a) Members Received and Approved the Bank Reconciliation statements for the Unity Trust Bank current account as at the 31st of March 2027 with a closing balance of £xx.xx (b) Members Received and Approved the Bank Reconciliation statements for the Unity Trust Bank deposit account as at the 31st of March 2027 with a closing balance of £xx.xx	

(c) Members Received and Approved the corresponding Statements for the Unity Trust Bank current and deposit accounts as at the 31st of March 2027. (d) Members Received and Approved the Schedule of Payments to the 31st of March 2027 as recorded, in the amount of £xx.xx, and initialled the payment documents, including invoices and receipts, as having been Approved. The Schedule of Payments must include the following detail: Invoice number, Supplier name, description of goods or services, net, VAT, gross amounts. (e) Members Received and Noted the Receipts & Payments report by cost centre to the 31st of March 2027. *(It is not sufficient to state that Members approved the accounts).* (f) Members received and noted the Proper Officer's Budget vs. Actual report to the 31st of March 2027. (*Quarterly basis only*). **General Data Protection Regulation & Data Protection** Noted that the Council has very limited General Data Protection Regulation (GDPR) or Data Protection Policies in place. We have advised the Clerk & RFO, Chair of the Council and Councillor responsible for Finance that the GDPR and Data Protection Legislation was significantly amended on the 19th of June 2026. As a public authority, which exchanges emails and other communications, with members of the public, and which is required to retain a wide range of documentation in hard copy and electronically the Council is required to have a reasonable and proportionate General Data Protection Regulation policy, (GDPR) Data Protection Policy and associated Internal Controls in place including a Document Retention Policy. R.05 We strongly encourage the Clerk & RFO to draft an appropriate suite of GDPR and Data Protection policies for Scrutiny and onward Approval by Council Members. Further, a Document Impact Assessment should be undertaken and subsequently a Document Retention policy should be drafted and maintained by the Clerk & RFO to ensure that all council documentation, either electronic or hard copy are secured and maintained appropriately for the correct period of time. **Social media & electronic communications policy** The Council's currently Adopted Recording, Photography & Social Media Policy primarily addresses the conduct of	

members of the public attending Council meetings. The Council should address the use of social media and electronic communications by its members. R.06 The Clerk & RFO should draft a Social Media and Electronic Communications Policy, as described, for onward scrutiny, approval and adoption by Parish Council Members. **General Power of Competence** R.07 Whilst the Council remains ineligible to adopt the General Power of Competence, the Statutory Power under which Grant Aid is awarded to applicants, <u>must</u> be recorded in the Resolution to make the award, remembering that LGA 1972 s.137 is the Power of Last Resort. **Any Other Business (AOB)** R.08 The term Any Other Business may **<u>never</u>** be used on a Council's Agenda or in its Minutes. The only items of business which may be discussed are recorded on the Council's Agenda which is required to be published three working days prior to the meeting to be held. The inclusion of 'Any Other Business' perverts the democratic process as the failure to disclose the business being discussed on the formal Agenda could facilitate Resolutions being made that members of the electorate have a legitimate interest in.	
Conclusion & recommendation - ICO A	
R.09 We strongly suggest that the Council considers availing itself of proper sector specific accounting software which will allow the Clerk & RFO in office to produce proper monthly reports and the year-end accounting statements and variance reports with little effort and with a high level of accuracy. Sector Specific products include: • Alpha from Rialtas Business Solutions Ltd • Edge from AdvantEdge Software Ltd • Scribe from Scribe Accounts Ltd	**Comments**
Conclusion & recommendation - ICO B	
Financial Regulations The Council's currently adopted Financial Regulations, which as noted earlier in this report, have not been reviewed or revised	**Comments**

after the 2017-18 financial year only permit the payment of Creditors by Cheque. Payment of Creditors by any other means is therefore 'Unlawful'. The Council's currently adopted Financial Regulations require two Council Members to approve each Cheque / Payment. Currently, the Clerk & RFO is able to unilaterally make payments to creditors, by electronic funds transfer. This method of payment is not only 'Unlawful' it also presents an unacceptable risk to the public funds under the Council's management. R.10 The Clerk & RFO must obtain the latest NALC model Financial Regulations and amend them according to the Council's requirements prior to presenting the draft to Parish Council Members for their onward scrutiny, approval and subsequent adoption. R.11 The Clerk & RFO must ensure that banking facilities are amended to ensure that no person may unilaterally make payments from the Council's bank accounts to Creditors or to transfer funds from one Financial Institution to another. For the proper segregation of duties, the Clerk & RFO must be able to load payments for authorisation by two Council Members upon the payments having been approved at a meeting of the Parish Council. R.12 We strongly recommend the Council to close its debit card facilities for security reasons as previously discussed and to obtain a credit card with a monthly transaction limit of £1,200.00 the upper emergency expenditure limit as defined in the model Financial Regulations. R.13 We strongly recommend the Council obtain a pre-paid credit card (which operates in a similar manner to an electronic petty cash system) with a de minimus credit limit of £250-£500 for example, to be used to make internet payments. R.14 We strongly recommend the Council consider opening a Churches, Charities and Local Authorities Public Sector Deposit Fund (CCLA PSDF) to deposit its Reserve funds. This is a robust and performant finance account utilised by a great many councils in England and in Wales. Other investment opportunities are available.	

Due to the fact that the Council has made payments to Creditor electronically throughout the whole of the 2025-26 financial year and that the Councillor with responsibility for Finance has made payments unilaterally from the Council's current bank account, both activities which are not compliant with the Council's currently adopted Financial Regulations, leading to a total failure of Internal Controls, we are required to record a negative assertion against Internal Control Objective 'B'. There are no other matters affecting this opinion.	
Conclusion & recommendation - ICO C	
Risk management and mitigation All Councils are mandatorily required to assess the significant risks to achieving its objectives and to review the adequacy of arrangements to manage these in the Annual Governance and Accountability Return: Internal Control Objective 'C'. Further the SAPPP 2025 Practitioner's Guide requires Council's to review their Risk Registers at least once, annually. The Council has not been able to provide any Risk Register, Risk Assessment or Risk policy for review during the 2025-26 financial year internal audit and there is no evidence in the Council's approved and published minutes of any review of form of Risk Management or Mitigation process having taken place. For this reason, we are required to record a negative assertion against Internal Control Objective 'C' R.15 The Clerk & RFO must draft, we suggest, a combined Health & Safety and Business Risk Register representing the Council's Risk Mitigation strategy. This must be placed before Council Members for their onward scrutiny, approval and adoption as soon as possible. R.16 The Council's Risk Register must be reviewed, and formally readopted, we suggest at the Annual Parish Council Meeting. R.17 We strongly recommend that individual risk assessments be conducted for any community event organised by the Council, and obtained from any third party organisation using the Council's facilities. R.18 We strongly recommend that the Council requires organisers of events on their premises provide a proper risk assessment to the Council along with a copy of their	**Comments**

Public Liability Insurance and other relevant licences required. R.19 We recommend that the Clerk & RFO and Council Members keep Martyn's Law in mind when organising events, or giving permission to external parties who wish to use Council facilities for their own events. **Children's playground** Every Council that is responsible for the management and maintenance of a Children's playground has statutory duties that it **<u>must</u>** perform. R.20 The Council must delegate a person, or persons, to undertake regular visual playground inspections. R.21 Any person undertaking playground inspections on behalf of the Council should be sent on a Playground Inspectors course, available from RoSPA and other organisations. R.22 The results of the regular visual playground inspection must be recorded on a 'playground inspection form'. The form must be returned to the Clerk & RFO for review and action if required. Even where no defect is identified, the form must be returned to the Clerk & RFO for their retention. R.23 All annual and regular playground inspection reports **<u>must be</u>** retained for the statutory period of eighteen plus three years - twenty-one years. The reports may be retained as hard copy or electronically; R.24 We strongly recommend that the Clerk & RFO drafts a Playground Management Policy and presents this to Council Members for their scrutiny, approval and adoption.	
Conclusion & recommendation - ICO D	
Financial Management and Reserves All Councils are required to monitor their budget vs. actual performance on at least a quarterly basis, reviewing progress against the budget, comparing actual to budgeted expenditure. Councils may hold Retained Reserves (*CiPFA guidance between 3 & 6 months expenditure)* to cover unexpected costs or smooth cash flow. Earmarked reserves can be held for specific future projects.	**Comments**

Whilst there is no legal cap on Precept increases, councils are expected to demonstrate restraint and justify significant rises to residents. There is no clear evidence to support the Council's 2026-27 3.4% Precept increase based on the level of retained General Reserve held by the council. Especially noting that the Council's annual expenditure was artificially inflated by a £45,624.99 refund which had to be paid to Wiltshire Council in respect of incorrectly disbursed CIL funds and an invoice overpayment in the amount of £12,995.73. For this reason and the failure of the Council to undertake formal budget monitoring during the 2025-26 financial year we are required to record a negative assertion against Internal Control Objective 'D'. R.25 The Clerk & RFO and Council members must ensure that henceforth the Council undertakes formal budget monitoring, on at least a quarterly basis, and that the Budget setting is compliant with the requirements of 'proper practices' as recorded in the SAPPP Practitioners' Guide. R.26 The Clerk & RFO should draft a Budget setting and precept determination process policy with a meeting timeline to ensure that the requirements and deadlines for the 2027-28 financial year are clearly communicated to, and understood by Council Members. R.27 The Clerk & RFO should review the Rialtas 'How to set the perfect budget' presentation when practicably possible. *(Provided under separate cover).* R.28 The Clerk & RFO should undertake a Budget setting course with SLCC and or CiPFA.	
Conclusion & recommendation - ICO E	
We remind the Clerk & RFO and Council Members that it is considered best practice for Council's to review its fees and charges during the annual Budget Setting and Precept Determination process and to record the outcome of the review in the Council's approved and published Minutes, even when the Council Members Resolved not to increase the Council's fees. R.29 We strongly recommend the Clerk & RFO and Council Members review the Council's fees and charges for its	**Comments**

services at least once annually during the Budget Setting and Precept Determination process, and to record the outcome of the Council's review in its approved and published minutes.	
Conclusion & recommendation - ICO G	
Local Government Pension Scheme The new employment legislation identifies town and parish councils as designating or resolution bodies meaning they can choose which groups of employees are eligible for membership of a Local Government Pension Scheme (LGPS). It is considered Best Practice that the Proper Officer is offered enrolment in the Principal Authority's LGPS. R.30 The Council should consider enrolling the Clerk & RFO in the Wiltshire Council Local Government Pension Scheme.	**Comments**
Conclusion & recommendation - ICO H	
The Council's current Fixed Asset Register is not of an appropriate design for the Council's current and ongoing requirements. R.31 The Clerk & RFO should avail the council of the SLCC's template Fixed Asset Register which is appropriate to record the assets of a Council of Lacock Parish Council's size.	**Comments**
Conclusion & recommendation - ICO I	
The Clerk & RFO is reminded that all cashbook reconciliation statements must record the closing bank balance on the last working day of each month. Further, all bank transactions must be recorded uniquely and correctly and may not be offset against each other or grouped in any way whatsoever. R.32 The Clerk & RFO must ensure that henceforth all cashbook reconciliation statements are conducted to reflect the closing balance on the last working day of the month. R.33 The Clerk & RFO must ensure that all transactions are recorded uniquely and correctly and may not be offset or grouped.	
Conclusion & recommendation - ICO M	
The Notice of the Period for the Exercise of Public Rights We take this opportunity to remind the new Clerk & RFO in post that the Notice of the Period for the Exercise of Public Rights is required to be established each year for the statutorily required period of thirty (30) working days, including the first	

ten (10) working days in July. It is considered best practice to Resolve to Approve the Notice of the Period for the Exercise of Public Rights at the same meeting of the Parish Council that the AGAR and supporting documentation is approved. The date of the announcement of the Notice must be at least one clear day before the Period for the Exercise of Public Rights commences. R.34 The Clerk & RFO and Council Members must ensure that henceforth the Notice of the Period for the Exercise of Public Rights is established each year at the same meeting where the AGAR and supporting documents are approved. R.35 A Resolution must be made to instruct the Clerk & RFO to publish the Notice on the Council's Notice Board and its official website. R.36 The Notice of the Period for the Exercise of Public Rights for the 2025-26 financial year must be Resolved at the Extraordinary Parish Council Meeting where the Internal Audit Report and the AGAR Submission is approved and adopted to commence on the next working day and to run for exactly thirty working days excluding Saturdays, Sundays and any Bank Holiday.	

10. Confirmation of independence and Quality Assurance

During the 2025-26 financial year to the 31st of March 2026, we confirm that the internal auditor has acted 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, based upon the internal audit programme, and has obtained appropriate evidence including copies of prime documentation to support our opinions from Lacock Parish Council.

The year-end audit for the 2025-26 financial year, conducted remotely on the 08th of May, the 16th, 17th, 18th, and 29th of June and the 07th, 08th, and 09th of July was carried out in accordance with Lacock Parish Council's needs and planned coverage as reviewed with the Clerk & RFO, Mr Theo Edge.

Based on the findings in the areas examined, the internal audit conclusions are summarised in the main body of this report, which corresponds to the Internal Control Objectives table contained within the FY2025-26 AGAR Annual Independent Internal Audit Report, which has been duly authorised.

11. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery & quality:

Annual performance indicators			
Aspect of service	**Interim 2025 -26 (Actual %)**		**YE 2025-26 (Actual %)**
Internal Audit plan delivered	N/A		100%
Positive customer responses to quality appraisal questionnaire			TBC
Compliant with the Public Sector Internal Audit Standards	N/A		100%

12. Postscript & acknowledgements

POSTSCRIPT

When auditing a council for the first time, we expect to identify a few areas where the Council could improve: We identify areas in which Internal Controls could be strengthened and improved, and we make a few Best Practice recommendations for improvement. We were surprised therefore to have identified that Lacock Parish Council has been operating outside of proper compliance, in a number of key areas, for several years. We are further concerned that the Council has received unremarkable Internal and External Audit reports during this period. We bring this matter to the attention of the External Auditor's PKF Littlejohn.

Our Internal Audit opinion for the 2025-26 financial year has required us to record four assertions of No Assurance, one of Limited Assurance and three of Adequate assurance against the Internal Control Objectives: A – P on the Annual Governance and Accountability Return, Annual Internal Audit Report. Additionally, we have made thirty-six recommendations for immediate improvements to be made to the Council's current and ongoing operations, many of which are in the process of being implemented by the current Proper Officer and Council Members.

Of significant concern is the almost total lack of Internal Controls in place concerning the Council's Corporate Governance, Financial Administration, Risk Management and Insurance provision which we are advised were practices inherited from the previous Chair under the guidance of the previous Clerk & RFO of the Council. These are detailed in the main body of this report with a synopsis of our findings contained in the *'conclusions & recommendations'* section for each Internal Control Objective.

Of particular concern is the fact that the Chair and Council Members believed that the Council was operating in a performant and compliant manner when it was not. This has resulted in the following matters being identified:

i. A training requirement for all Council Members to ensure that they understand how a Council should be properly and effectively managed;
ii. The absolute necessity to appoint an experienced and qualified Clerk & Responsible Finance Officer;
iii. The requirement to ensure that the effectiveness of Internal audit, as defined by the Chartered Institute of Internal Auditors (CIIA), i.e. the ability of the appointed Internal Auditor to provide independent assurance that the Council's risk management, governance, and internal control processes are operating effectively providing appropriate evidence to substantiate this.

We draw the attention of the Proper Officer and Council Members to the following critical failures of Internal Control during the 2025-26 financial year which we have identified in the main body of the report:

i. The Council's Standing Orders and Financial Regulations had not been reviewed, amended or readopted since the 2017-18 financial year meaning that the Council has been operating Unlawfully during that period as it had no provision to make electronic payments under its governing documents.
ii. The Council cannot provide any evidence whatsoever of any historic Health & Safety or Business Risk Register being held by the Council despite the absolute requirement to do so and to review such registers and assessments at least once annually.
iii. The Council's insurance policy during the 2025-26 financial year did not have the key facts stated as it was based on a residency figure of at least 100 fewer residents than quoted to the Council's Insurers, further the Cemetery Chaple was not insured. Therefore, the Council's Insurance Policy could have been viewed as invalidated should the need to have made a claim arisen.
iv. The Council has not been retaining either the regular or annual independent playground inspection reports for the statutory period of eighteen plus three years (twenty-one years to the age of a child's majority).
v. In contravention of the currently adopted Financial Regulations, any person who is added as a signatory to the Council's Bank Mandates was able to undertake interbank transfers and payments without any checking or verification process whereas the Financial Regulations require two Council Members to do so. This failure to implement proper Internal Controls resulted in a previous staff member making a payment of £13,127.00, in error, from the Council's current bank account against an invoice of £131.27. Luckily for the Council the

overpayment was made to a reputable supplier who returned the residual funds to the Council within 30 days.

vi. There has been a lack of proper financial reporting to Council members throughout the year.

vii. Although a budget and precept setting process were undertaken, they were undertaken incorrectly as the Council Members had no knowledge of proper budget setting requirements for Councils. Nor were they aware of the formal guidance which was rendered previously in Joint Panel on Accountability and Governance (JPAG) Practitioners Guide 2024 or its successor the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners Guide 2025.

This lack of knowledge resulted in the FY2026-27 Precept being established at a significantly higher level than it should have been, based on the average prior year monthly expenditure with the refunds of the incorrectly received CIL funds and the payment of the incorrect amount in the invoice identified above to a supplier removed for the calculation.

We accept that the Council has been operating under the illusion that it had effective Internal Controls in place and that the current Council Members have acted in good faith at all times. However, all Council Members have a Statutory Duty to ensure that their Council operates properly and lawfully and in compliance with it governing documents at all times.

We ask that the Council ensures that appropriate 'Good Councillor' training is provided for all Councillors and that the Council's Proper Officer in post is registered on the SLCC CiLCA qualification as soon as practicably possible to ensure that the errors of the past are not carried forward.

Such is the scale of the remedial works to be undertaken by the Council to bring it into good order we strongly recommend that an Interim Internal Audit for the 2026-27 financial year is undertaken in October or November 2026.

ACKNOWLEDGEMENTS

We would like to take this opportunity to thank the new Proper Officer of Lacock Parish Council, Mr Theo Edge, the Chair: Dr Louise Heren and the Councillor responsible for Finance: Mr Simon Wise for their assistance in performing the Independent Internal Audit for the 2025-26 financial year. We are grateful for content and quality of the documentation and the responses that have been supplied to our very many supplementary questions and requests.

We note that the 2025-26 financial year has been a challenging one for the Council and we trust that this report and the appended Action Plan will give the Council a foundation to move forward towards best practice standards.

We now ask that the Clerk & RFO, and the Council Members consider the content of this report and acknowledge, in due course, that the report has been formally reviewed and adopted by the Council.

C Lingard-McKay
Practice Manager
WGW Online