

Louth Town Council

*The Sessions House, Eastgate,
Louth, Lincolnshire, LN11 9AJ*

01507 355895

clerk@louthtowncouncil.gov.uk



Your Ref:

Our Ref: A/2 LMP

**The following Accounting Statements as
published are unaudited and may be
subject to change.**

Signed:
Town Clerk and Responsible Financial Officer

24th June 2025

Annual Internal Audit Report 2024/25

Louth Town Council

www.louthtowncouncil.gov.uk

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

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

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

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

Date(s) internal audit undertaken

05/06/2025

Name of person who carried out the internal audit

STEVE FLETCHER

Signature of person who carried out the internal audit



Date

05/06/2025

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

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

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Louth Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

| | Agreed | | ‘Yes’ means that this authority: |
|---|-------------------------------------|--------------------------|--|
| | Yes | No* | |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i> |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i> |
| 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i> |
| 4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.</i> |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>considered and documented the financial and other risks it faces and dealt with them properly.</i> |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i> |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>responded to matters brought to its attention by internal and external audit.</i> |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i> |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | Yes | No | N/A |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

***Please provide explanations to the external auditor on a separate sheet for each ‘No’ response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

24/06/2025

and recorded as minute reference:

T40. C.

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Chairman

Clerk

M Phillips

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Section 2 – Accounting Statements 2024/25 for

Louth Town Council

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|---|
| | 31 March 2024 £ | 31 March 2025 £ | |
| 1. Balances brought forward | 655,602 | 576,479 | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year. |
| 2. (+) Precept or Rates and Levies | 300,082 | 309,032 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 119,183 | 52,005 | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received. |
| 4. (-) Staff costs | 133,769 | 147,243 | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments | 0 | 0 | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | 364,619 | 210,040 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 576,479 | 580,233 | Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6). |
| 8. Total value of cash and short term investments | 573,370 | 590,676 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation. |
| 9. Total fixed assets plus long term investments and assets | 1,348,979 | 1,716,541 | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March. |
| 10. Total borrowings | 0 | 0 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

| For Local Councils Only | Yes | No | N/A | |
|--|-----|----|-----|---|
| 11a. Disclosure note re Trust funds (including charitable) | | ✓ | | The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets. |
| 11b. Disclosure note re Trust funds (including charitable) | | | ✓ | The figures in the accounting statements above exclude any Trust transactions. |

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Mr Phillips

Date

04/06/2025

I confirm that these Accounting Statements were approved by this authority on this date:

24/06/2025

as recorded in minute reference:

T40. d.

Signed by Chair of the meeting where the Accounting Statements were approved

T. H. R. S.

CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

**This form is only for use by smaller authorities subject to a
review and should not be published on your website**

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested
documentation

Name of smaller authority: **Louth Town Council**

County Area (local councils and parish meetings only): **Lincolnshire**

**On behalf of the smaller authority, I confirm that the dates set for the period for the
exercise of public rights are as follows:**

Commencing on Thursday 26th June 2025

and ending on Wednesday 6th August 2025

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2025 (i.e. Tuesday 1 July – Monday 14 July). The period should not commence before the approval of the AGAR.

We have suggested the following dates: Tuesday 3 June – Monday 14 July 2025 The latest possible dates that comply with the statutory requirements are Tuesday 1 July – Monday 11 August 2025.)

Signed: _____

Role: Town Clerk and RFO

Bank reconciliation

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 2025" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority: **Louth Town Council**

County area (local councils and parish meetings only): **Lincolnshire**

Financial year ending 31 March 2025

Prepared by (Name and Role): **Mrs. L. Phillips, Clerk / RFO**

Date: **30/05/2025**

| | £ | £ |
|---|-----------|------------------|
| Balance per bank statements as at 31/3/2025: | | |
| Lloyds Current Account | 310,476.8 | |
| Lloyds Deposit Account | 166,652.5 | |
| National Savings and Investment Account | 113,426.5 | |
| | | 590,555.8 |
| Petty cash float | | 120.4 |
| Less: any unpresented cheques as at 31/3/2025 (enter these as negative numbers) | | |
| N/A | | - |
| Add: any un-banked cash as at 31/3/25 | | |
| N/A | | - |
| Net balances as at 31/3/2025 (Box 8) | | 590,676.2 |

Explanation of variances – pro forma

Name of smaller authority: **Louth Town Council**
County area (local councils and joint boards outside of L1 boundaries): **Louth**

Insert figures from Section 2 of the AGAR in all **blue highlighted boxes**

Next, please provide full explanations, including numerical values, for the following that will be flagged in the pro forma:
• variances of more than 15% between totals for individual boxes (except variances of less than £200);
• New from 2020/21 onwards: variances of £100,000 or more require explanation regardless of the % variation year on year.

| | 2023/24 £ | 2024/25 £ | Variance £ | Variance % | Explanation Required? | Automatic responses (input below based on figures input. DO NOT OVERWRITE THESE BOXES) | Explanation from smaller authority (must include narrative and supporting figures) |
|---|--------------|--------------|---------------|---------------|--------------------------|---|--|
| 1 Balances Brought Forward | 555,403 | 578,475 | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | 300,052 | 309,032 | 8,950 | 2.98% | NO | | |
| 3 Total Other Receipts | 119,183 | 62,065 | -67,178 | 56.37% | YES | | Receipts in 2024/25 are less than in 2023/24 because in 2023/24 the Council received a one off contribution towards works required to a Council owned asset in the sum of £75,000 which meant that miscellaneous income was down in 2024/25 by £73,954. The Council also received less income from monuments the decrease totalling £2,538 and from EXRT's the decrease totalling £2,499. These decreases total: £73,954 + £2,538 + £2,499 = £78,991. However, the Council received more income than expected from property, the increase being £623 and more income from Allotment Rent, the increase being £92 and more income from LCC in relation to their contribution towards grass cutting, the increase being £6,383 and more income from Interments, the increase being £3,407 and more income from Interest Received, the increase being £1,298 which totals: £623 + £92 + £6,383 + £3,407 + £1,298 = £11,813. When these are offset against each other e.g. £78,991 - £11,813 it gives a total of £67,178 which leaves a total unexplained variance of £0 or 0%. |
| 4 Staff Costs | 133,768 | 147,243 | 13,474 | 10.07% | NO | | |
| 5 Loan Interest/Capital Repayment | 0 | 0 | 0 | 0.00% | NO | | |
| 6 All Other Payments | | | | | | | Payments in 2024/25 were less than in 2023/24 because in 2023/24 it became necessary to undertake significant one off works to a Council owned asset in the sum of £172,176 which were not required in 2024/25. In 2024/25 the Council also spent less than in 2023/24 in the following budgets: Election Expenses by £2,389, Electric for Clocks and Floodlights by £2,864, Floral in Bloom by £1,216 and Cemetery / Office Utilities by £11,412 which when added together totals: £2,389 + £2,864 + £1,216 + £11,412 = £17,881. When £17,881 is offset against £172,176 this totals: £172,176 - £17,881 = £154,295 which leaves a total unexplained variance of £84 or 0.05%. |
| 7 Balances Carried Forward | 576,479 | 580,233 | -154,579 | 42.39% | YES | VARIANCE EXPLANATION NOT REQUIRED | |
| 8 Total Cash and Short Term Investments | 573,379 | 580,878 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 9 Total Fixed Assets plus Other Long Term Investments and | | | | | | | The value of Total Fixed Assets increased in 2024/25 because new Christmas Lights were purchased at a cost of £7,410, a new mower was purchased at a cost of £807.50 and a new laptop was purchased at a cost of £685.36. The Council also disposed of a strimmer whose value had been shown on the 2023/24 asset register at £545 and a mower whose value on the 2023/24 asset register was shown at £560. When these figures are offset against each other a total increase by £7,797.86 is shown on the asset register. In addition, the 2024/25 asset register was re-configured to take account of a professional valuation which was undertaken of some of the Council's more unique possessions, this involved rearranging and adding to categories, listing items individually which were grouped into categories previously. This resulted in an increase in value on the asset register of crib figures by £2,000, paintings by £182,800 and Civic Regalia by £98,448. Silver by £11,100, Books and Manuscripts by £60,000, Clocks and Barometers by £2,418 and Maps by £3,000. When these are added together (£7,797.86 + £2,000 + £182,800 + £98,448 + £11,100 + £60,000 + £2,418 + £3,000) a total of £367,563.86 is reached which leaves no unexplained variance or 0.00%. |
| 10 Total Borrowings | 0 | 0 | 367,562 | 27.25% | YES | | |

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Reconciliation between Box 7 and Box 8 in Section 2

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Louth Town Council

County area (local councils and parish meetings only):

Lincolnshire

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

| | £ | £ |
|---|-------------|--------------------|
| Box 7: Balances carried forward | | 580,232.59 |
| Deduct: Debtors (enter these as negative numbers) | | |
| VAT Claim | (18,624.40) | |
| Interments | (696.00) | |
| Monuments | (393.00) | |
| EX/RT's | (818.00) | |
| | (20,531.40) | |
| Deduct: Payments made in advance (prepayments) (enter these as negative numbers) | | |
| SCIS Re. Cllr. Emails | (359.99) | |
| HH Sanitary Waste Disposal 25/26 | (511.13) | |
| | (871.12) | |
| Total deductions | | (21,402.52) |
| Add: | | |
| Creditors (must not include community infrastructure levy (CIL) receipts) | | |
| Citizen's Advice | 1,000.00 | |
| Apiary | 833.33 | |
| Flood Scheme Maintenance | 16,394.81 | |
| Mayoral Allowance | 482.00 | |
| Mayor's Serjeant Expenses | 325.00 | |
| HH Maintenance | 12,811.00 | |
| | 31,846.14 | |
| Add: | | |
| Receipts in advance (must not include deferred grants/loans received) | | |
| N/A | | |
| | - | |
| Total additions | | 31,846.14 |
| Box 8: Total cash and short term investments | | 590,676.21 |