



Internal Audit Report.

Council:	Allington
Internal Auditor:	Ann Fletcher
Year Ending:	31 st March 2025 – Interim Audit
Date of Report	26/02/2025

This internal audit has been conducted in accordance with JPAG The Practitioners' Guide - March 2024 - Section 4 'Internal Audit'. It is recommended that a council completes an intermediate mid-year audit which allows any weaknesses in governance and internal controls to be corrected during the financial year and an end-of-financial-year audit.

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

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to further audit enquiries being raised and the external auditor issuing a qualified opinion.

Lincolnshire Association of Local Councils

Internal Audit Report.

To the Vice Chairman of Allington Parish Council

I have examined council business documents including policies, agendas & minutes, accounting and financial statements and other documents relevant to this internal audit.

I confirm that I am independent of the council, its officers and councillors and its activities and I identified no conflicts of interest to my work with this council to the best of my knowledge.

The results of this internal audit are recorded on the next page. If any part of the audit was found to 'unsatisfactory' I have provided recommendations to improve the weakness identified.

Yours sincerely,

Ann Fletcher

Internal Auditor

Lincolnshire Association Local Councils

Date:26.2.25

Area of work checked	Outcome
Implementation of previous auditor recommendations	Unsatisfactory
Implementation of previous AGAR weaknesses/ recommendations	Unsatisfactory
Key Governance Review	Unsatisfactory
Transparency	Unsatisfactory
Accounting	Satisfactory
Budget	Unsatisfactory
Income Control	Satisfactory
Bank Reconciliation	Unsatisfactory
Petty Cash	Not applicable
Asset Control	Unsatisfactory
Risk Management	Unsatisfactory
General Administration	Unsatisfactory
Proper Process/Practice	Satisfactory
Payroll/HR	Unsatisfactory
Transaction spot checks	Satisfactory
Year-end process	Unsatisfactory
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Not audited
Markets	Not applicable
Other:	Choose an item.
Other:	Choose an item.

Recommendations

1. I am aware that you have a new clerk in place starting this week. For all of the above checks to be satisfactory or above, I recommend:
 - a) Set up an HR Committee with Terms of Reference.
 - b) Ensure correct contracts are set up with a probationary period and regular reviews to support the new clerk. Ensure a job description is given to the new clerk. A training plan needs to be put in place and reviewed. The clerk should be encouraged to seek an experienced clerk as a mentor. LALC will help with this. You cannot expect your clerk to do the job properly without correct training and support. There is a wealth of information on the LALC website, training for almost everything a clerk could need a clerk's group and a councillor's group to ask questions of other clerks or councillors (2 separate groups). LALC produce a fortnightly bulletin with a round up of information plus a monthly training bulletin.
2. Standing Orders and Financial Regulations must be set up properly and adhered to. The clerk is responsible for setting up the policies and procedures of the Council.

They should be reviewed thoroughly at a meeting and a resolution passed to adopt them. Once adopted, they should be adhered to. Financial Regulation document the process for listing payments to be authorised and the resolution must be included in the minutes. Payments should be checked by 2 councillors, checking the invoices against a list, with the list being signed and dated by both checkers. The list can then be copied and pasted into the minutes. It is not acceptable to read out the details of invoices received since the last meeting.

3. The audit process and completion of the documents required by the auditor must be done properly and in accordance with the instructions received from the auditor. The new Practitioner's Guide is due out in March and details the processes that must be followed.
4. An up to date asset register must be in place and the assets and the register reviewed annually. This must be documented in the minutes using the words "it was resolved to....". This wording should be used on all occasions, for example when payments are authorised. See note 2 above.
5. I recommend that the Parish Council purchase a fire proof filing cabinet for the clerk to store Parish Council paperwork, laptop etc. Also, a back up system such as OneDrive should be used to ensure all documents are backed up and stored securely. There are other options.
6. My understanding from the outgoing clerk is that the Parish Council own one building – a toilet block. Using the checklist attached, I recommend that all requirements are checked and put in place.

Recommendations regarding the Annual Governance Statement 2024-25

Annual Governance Statement Assertion	Internal Auditor comments
<i>1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i>	
<i>2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness</i>	I refer to Financial Regulations and Standing Orders again. See point 4 below.
<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</i>	
<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.</i>	Do not answer "yes " when the answer should be "no". The exercise of electors' rights published by this Council did not meet the requirements.
<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.</i>	No risk assessment. No Asset register. Financial Regulations and Standing orders MUST be reviewed annually and the resolution to adopt must be documented in the minutes. The answer should be "No".
<i>6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i>	Financial Regulations again.
<i>7. We took appropriate action on all matters raised in reports from internal and external audit.</i>	Should be "No". The internal and external auditors comments from last year in the main have not been actioned. If these are action in March 25, you would be able to answer "yes".
<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</i>	
<i>9. Trust Funds</i>	

-End of Internal Auditor's Report-