



Internal Audit Report.

Council:	Allington
Internal Auditor:	Ann Fletcher
Year Ending:	31 st March 2025
Date of Report	04/06/2025

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 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.

I know your clerk is very new to the role and has had a huge amount to absorb and work on. She has shown commitment to providing me with all information I have asked for and to getting the processes and procedures in order. I have supported her where possible and I will continue to do so if necessary.

Yours sincerely,

Ann Fletcher

Internal Auditor

Lincolnshire Association Local Councils

Date:4.6.25

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	Unsatisfactory
Markets	Not applicable
Other:	Not applicable
Other:	Choose an item.

Recommendations

1. I recommend that the Council and clerk give priority to ensuring that the AGAR is completed correctly for 24/25, particularly taking into account the External Auditor's recommendation and comments from 23/24. The AGAR document and the 2024 Practitioner's Guide gives full guidance. (There is a new version of the Practitioners Guide available on the LALC website for 2025. Recommend clerk downloads this now to use for the current year.
2. I recommend that the clerk uses the Financial regulations and Standing Orders and Practitioner's guide as working documents to ensure that processes and procedures are followed correctly. This will help the clerks with her training and development.

The LALC checklist is also a useful tool to provide information around the correct requirements for any future audits.

3. I recommend that the Council's HR committee work with the clerk to produce and agree a training and development plan to support her in her learning and development plan. LALC have many training courses and offer a training scheme which can keep costs down if several courses are required. Best practise is for the plan to be reviewed monthly and update as necessary.
4. I recommend that all statutory requirements are adhered to. These are detailed in the LALC IA checklist and marked with an asterisk.

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>	Budget approved but not monitored throughout the year. Bank reconciliations not reviewed by members of the authority on a regular basis and not minuted.
<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>	No comments
<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>	Council owned email in place. No evidence that the authority has considered if it is acting within it's powers. Not all Statutory requirements have been set up and/or adhered to.
<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>	23/24 requirements not met. External auditors report not minuted or considered and not published.
<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 register or risk management in place. Fixed Asset register not documented that reviewed at year end and does not contain sufficient information.
<i>6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i>	Internal Auditor appointed through the County Association and is independent of the Council and it's members. All documents were provided in a timely manner.
<i>7. We took appropriate action on all matters raised in reports from internal and external audit.</i>	As in 4 above and also internal auditor's report not published or minuted that discussed.
<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>	Nothing noted.
<i>9. Trust Funds</i>	n/a

-End of Internal Auditor's Report-