



## Internal Audit Report.

This audit report is to read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return.

Council:	Pointon and Sempringham Parish Council
Internal Auditor:	Kirsty Sinclair
Year Ending:	March 23
Date of Report	11 <sup>th</sup> April 23

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 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 a qualified audit opinion.**

# Lincolnshire Association of Local Councils

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### **To the Chairman of Pointon and Sempringham Parish Council**

I have examined council business including policies, agendas & minutes, accounting and financial statements and other documents relevant to this audit. Management & governance of the council is satisfactory.

It was apparent that Council have acted upon the recommended actions from the previous internal auditor in 2021-22.

Areas which have been identified where further action is required have been discussed with the Clerk and are listed below.

These do not affect the completion of the AGAR for this year but will be referred to during the interim audit later in the year.

### **Recommendations**

#### **Key Governance Controls**

- A HR policy to be adopted and the Terms of Reference for this committee expanded.
- Consider adopting a co-option policy, training policy with register and an asset inspection schedule.

#### **Accounting**

- VAT reclaim needs to be completed.

#### **Budget and Budgetary Control**

- The approved budget should be included in the minutes or added as an appendix to the minutes to comply with Section 3 of the Financial Regulations
- A reserve schedule, including earmarked reserves, should be produced, and reviewed at least annually. It is best practice for councils to have a minimum of 3 months' worth of expenditure in general reserves.

#### **Asset Control**

- Recommend that the asset register is displayed on the council website.

#### **Risk Management**

- The risk register document should be clearly dated with review date and date of next review as well as included in the minutes.
- Recommendation to increase the number of signatories on the bank account.

**Proper Processes and Practices**

- To include legal powers within the minutes to aid transparency.

**Payroll and HR**

- Clerk to complete a workstation risk assessment and present this to the HR committee.

Yours sincerely,

A handwritten signature in black ink that reads "K Sinclair". The signature is written in a cursive, flowing style.

Name: Kirsty Sinclair

Internal Auditor

Lincolnshire Association Local Councils

Date: 11<sup>th</sup> April 2023