



Internal Audit Report.

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| Council: | Crowland Parish Council |
| Internal Auditor: | Andrew Everard |
| Year Ending: | 31 st March 2024 |
| Date of Report | 02/06/2024 |

This internal audit has been conducted in accordance with JPAG The Practitioners' Guide - March 2023 - 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.

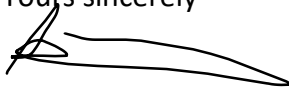
To the Chairman of Crowland Parish Council

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

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 thank the Clerk and Responsible Financial Officer for their time and effort to answer my questions and to demonstrate how the Parish Council has some firm processes in place to demonstrate internal control and risk management.

Yours sincerely



Andrew Everard
Internal Auditor
Lincolnshire Association Local Councils

Date: 2nd June 2024

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

Recommendations

1. **Review and adopt new Standing Orders, Financial Regulations, Publication Scheme, Complaints Procedure, Data Protection and Freedom of Information Policies to enable to Parish Council to comply with its statutory obligations.**
2. **The website contains some information, but transparency is weak as the parish council does not comply with the Freedom of Information Act 2000 mandatory Publication Scheme or the Transparency Code for Local Authorities.**
3. **Internal Controls have been adopted in Financial Regulations adopted in 2018 but they have not been kept up to date and allow considerable spending to be undertaken without prior approval of the Parish Council.**
4. **Employees must, by law, receive a Written Statement of Employment Particulars by day one of their employment since 2020 and detailed particulars within later timeframe. It is not clear that the Council complies with this duty and should ensure that it does in future.**

5. **One contractor appears to have been working for the Parish Council for at least 6 years or more. Local Authorities have duties to ensure that they comply with the HMRC IR35 rules and this arrangement should be reviewed and the outcome minuted to show compliance with their statutory duty.**
6. **The Finance Committee considered the budget and precept and put forward the figures, however, only the full council can resolve the budget and precept amounts. The minutes of the full council in 2023 do not clearly state the amounts approved.**
7. **The minutes of the various committees and their Terms of Reference are not visible on the parish council's website. The Parish Council's business should be visible and accountable to the electors and tax payers and proceedings that are not visible can pose reputational risk.**
8. **General and earmarked reserves should be reviewed at least annually after a review of risks and likely expenditure commitments.**
9. **The Parish Council's Register of Interests is not visible on the website which is a statutory requirement.**
10. **HR policies and procedures should be documented and published.**
11. **The Parish Council has made investments and if its investments exceed £100,000 there is no evidence of its Annual Investment Strategy being published in accordance with *STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS* 3rd edition applicable since April 2018 issued under Section 15(1)(a) of the Local Government Act 2003.**
12. **The Council may wish to consider holding paper documents in electronic format or in fireproof cupboards to reduce the risk of loss.**