



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:	Ingham Parish Council
Internal Auditor:	Elaine Atkin
Year Ending:	March 2024
Date of Report	22 nd December 2023

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

Internal Audit Report.

To the Chairman of Ingham Parish Council

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

The Internal Audit Report for 2022-2023 was made available. There were no items or recommendations to be addressed.

During this interim audit, there were a few areas where I have made recommendations as suggestions for improvement. Please see 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.

Council management and activity.

- Council's Standing Orders are based on a NALC model template however still contains some of the generic wording and they have not been tailored to this council; they contain out of date procurement thresholds (which were updated in January 2022); one of the mandatory standing orders has been amended; and the version on the website is missing its heading numbering. This is a key document which tells the public (and councillors) exactly how the council will be run. I would recommend that this document is fully reviewed, that all generic statements are tailored to this council, and that the errors are corrected. The document would also benefit from version control showing date last reviewed.
- Council's Financial Regulations are based on a NALC model template however still contains some of the generic wording and this has not been tailored to this council. It also contains out of date procurement thresholds (updated in January 2022). This is a key document which tells the public (and councillors) exactly how the council's finances will be managed. I would recommend that this document is fully reviewed and that all generic statements are tailored to this council. The document would also benefit from version control showing date last reviewed.
- The clerk needs to check all the Financial Regulations to ensure that each one is being met. For example, 2.2 requires at least quarterly (and at year-end) checking of the bank reconciliation by a councillor other than the chair and a signatory.

- There is an issue with the published minutes of the council meeting on 11/09/23 when council moved into closed session. I understand from the clerk that this rarely happens. The minutes show the meeting going into closed session **after** the meeting has been declared closed at 21:11. Also there are no minutes on the website from the 3 agenda items in closed session – this is a legal requirement. Resolutions decided on confidential matters must be published as part of the usual meeting minutes but the papers/reports and debate on which the resolution is based may remain confidential if they contain confidential information. The auditor has clarified the legal requirement and explained how closed session decisions can be minuted in such a way that sensitive and confidential information is not made public. The clerk has agreed to publish the closed session minutes, however if discussion on those last 3 agenda items **was** held after the meeting was declared closed then those decisions taken are not legal. In that case, the clerk may have to put these items back onto a future agenda to ensure that legal decisions can be made.
- Whilst council has adopted the Information Commissioner’s Office (ICO) Publication Scheme model document there should also be published detail of Information Available under the Publication Scheme.
- Council may want to consider a Grants Policy and Grant Application form, so there is a transparent process which clearly sets out what power is being used when awarding grants.
- Council may want to confirm that the archived files held at the Village Hall are covered by appropriate Village Hall Committee insurance.
- I have noted from the Risk Assessment that the clerk’s laptop is not insured. Council would need to ensure that there is adequate contingency in place in case this is stolen, damaged or fails.
- Whilst the clerk checks the legality of any proposed spending, the legal powers used are not recorded in the minutes and I would recommend that they are (or they are recorded against the expenditure in the finance spreadsheet).
- I have recommended that a record of training is kept (for councillors and employees), and as a minimum, council considers publishing the councillor training details on the website, for transparency purposes.
- I have recommended a Co-option Policy is considered in the future.
- I have recommended that the clerk’s appraisal should not be done by just one councillor; that council may want to consider an Employment/Staffing/Personnel Committee (best practice); and that it may want to consider an Absence Policy (also best practice).
- All council’s policies and procedures would benefit from version control including date of last review.
- Other than the items flagged, I saw evidence of a sound system of internal control and robust management practices.

I would like to thank the Clerk for accommodating this interim internal audit and ensuring that all relevant documents were made available to me.

Yours sincerely

Elaine Atkin

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Internal Auditor

Lincolnshire Association Local Councils

Date: 22nd December 2023