

Lincolnshire Association of Local Councils

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:	Nocton Parish Council
Internal Auditor:	Rachel Popplewell
Year Ending:	31 March 2023
Date of Report	28.04.2023

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.

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To the Chairman of Nocton 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 at times below parr.

Several areas were identified where action was recommended and are offered as suggestions for improvement. I have discussed these with the Clerk at length, 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. I would recommend that another audit is carried out in 6 months' time.

External & Internal Audit for 2021-202 was available and referred to during our discussions. Several points were highlighted on the external audit report, these have been actioned.

Council management and activity.

- Standing Orders are in place, Councillors would benefit from understanding the contents regarding meeting decorum, I would recommend 1 public forum at the start of the meeting, with members of the public there to observe once council move into session discussing items on the agenda.
- Financial regulations are in place, Councillors need a better understanding of their responsibilities. Bank reconciliations need to be carried out at least quarterly as per FR 2.2. When considering quotes for works FR 11h, needs to be followed, quotes must be circulated prior to the meeting and approved by full council.
- I would recommend that an accounts package be considered to simplify the accounting system for the Clerk, to save time and make it easier to track payments and produce all required reports. (Scribe, RBS)
- Reserves policy to be put in place, general reserves are a bit low.
- The list of payments not always in the minutes or on the agenda, please ensure payments are included in the minutes or separate list attached. 2 out of the 4 payments checked were not in the minutes as being approved.
- Agendas & minutes do not match, resolutions have been minuted but not included on the corresponding agenda, these resolutions are not valid.
- Ensure an adequate working capital is kept in the main current account, suggest 3 months, it was noted that PWLB payment was returned unpaid due to lack of funds.
- HR committee needs to be put in place. All staff have recently signed a new NJC contract, job descriptions were not updated at the time these do not mirror their roles. Equally the Clerks job description and hours need to be updated to reflect that

she now helps manage the 'hub' this comes with extra work & hours, which should be paid as per her contract.

Summary

The Council has appointed a new Clerk in February 2023, Laura will take time to settle in and get to grips with all the processes of a new council. Full support should be given to her, whilst utilising her expertise and knowledge.

Councillors will benefit from attending training, I would recommend that they take advantage of all the training courses on offer from LALC. (Council have signed up to LALC's annual training scheme).

Yours sincerely

R Popplewell

Rachel Popplewell

Internal Auditor

Lincolnshire Association Local Councils

29.04.2023.