



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:	Willingham by Stow
Internal Auditor:	Stacey Knowles
Year Ending:	March 2023
Date of Report	9 th December 2022

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 Willingham by Stow

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 2021-2022 was made available and the majority of actions have been completed.

During this interim audit, some areas were identified where action is recommended. These matters are offered as suggestions for improvement and have been discussed with the Clerk and RFO.

Council management and activity.

- Many council policies have been reviewed since May 2022. Financial Regulations and Standing Orders were both reviewed in May 2022. It is recommended that all the optional brackets [] are completed and the documents are fully tailored to the council.
HR policies – it is recommended that the council implement some HR policies. As a minimum this should include a disciplinary policy and a grievance policy. In the event of any employment disputes or grievances, these policies provide the council some protection as fair and transparent processes can be followed.
- The council should identify other possible powers to incur expenditure before relying on s137, Local Government Act 1972.

There is a good system of internal control and the Clerk/RFO should be acknowledged for the robust system in place for the management and administration of the council's financial affairs. Three transactional spot checks were carried out during this interim audit and there was a clear audit trail from order to payment for each. Monthly accounts, reconciliations and budgets are presented to the council for review and signed at the meeting. Councillors also view all invoices and countersign these documents.

I would like to thank Lisa in her role as Clerk and RFO for accommodating this interim internal audit and ensuring that all documents were made available as needed. The final audit will be completed in April 2023 following completion of the annual accounts.

Yours sincerely

Stacey Knowles

Stacey Knowles
Internal Auditor
Lincolnshire Association Local Councils
Date: 12th December 2022