



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 2024
Date of Report	13 th 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 Willingham by Stow

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.

Several areas were identified where action was recommended and are offered as suggestions for improvement. I have discussed these with the Clerk, see below.

Internal Audit for 2022-2023 was available and areas raised last year have been actioned appropriately.

Council management and activity

- Most of the council policies were reviewed in May 2023. The council introduced a Grievance and Disciplinary policies as recommended in the previous years' audit. All statutory policies are in place.

Transparency

- The council publishes documents on its website as required by the Transparency Code including meeting agendas and minutes. The council may wish to take some advice regarding setting out the website so that items are easier to find and formatted correctly.

Accounting

- Section 137 expenditure is recorded separately in the accounts. It is recommended to include a standard resolution within the minutes at the point that the council is resolving to incur the expenditure. This will make it clear in the minutes that s137 is being relied upon.

Budget

- The budget is monitored throughout the year and variances explained. The budget figure set supports the requested precept.

Risk Management and asset control

- Assets are inspected twice per year. It is recommended that a checklist is used to record the outcome of the inspections and if any actions are required. This should be presented to the council and details minuted. This protects the council and provides evidence to its insurers that inspections are taking place and the council takes due care and attention of its assets, mitigating risks.

General

- Office 365 used. However, it is recommended to use 365 Business rather than a package made for personal use.

Proper Process / Practice

- It is recommended to adopt a co-options policy. The council already uses an application form to receive information about prospective candidates. A co-option policy will ensure that the co-

options process is transparent and clear to prospective candidates and also to councillors when considering applications.

- It is recommended to put an expenses policy/procedure in place. This will ensure transparency in approving expense claims and outlines the items the council expects to receive e.g. mileage.

Transactional checks

- Three transactional checks were carried out during the interim audit. All three checks had a clear audit trail from authority to incur the expenditure through to payment of the invoice.

Thank you to Lisa for her time in carrying out this interim audit. Lisa manages an effective system for governance and financial management on behalf of the council and she should be commended for this.

Yours sincerely

Stacey Knowles

Internal Auditor

Lincolnshire Association Local Councils

Date: 13th December 2023