



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 2025
Date of Report	8 th December 2024

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.

Internal Audit for 2023-2024 was available and areas raised last year have been actioned appropriately.

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

Budget

- The expenditure budget set for 2024-2025 is around £10,000 more than the expected income from burials, precept and available reserves. The clerk explained that this was in respect of projects that the council might undertake but would seek grant funding for. It is recommended that a budget for these projects is not set if the source of income is unknown or conditional. Currently, if the council was to spend the entire 24/25 budget it would be in a deficit. See section 5.28 of the JPAG Practitioners Guide.
- The council should review its general reserves and earmarked reserves at least once annually and minute the amount held against the purposes it is held for. See sections 5.32 to 5.39 of the JPAG Practitioners Guide.

There is a good system of financial administration and management in place. Three transactional checks were carried out during this audit and there was a clear audit trail from the authority to spend through to payment of the invoice. The council has all statutory policies in place and publishes documentation in line with the Transparency Code.

Thank you to Lisa for her time in carrying out this audit.

Yours sincerely

Stacey Knowles

Internal Auditor

Lincolnshire Association Local Councils

Date: 8th December 2024