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20 May 2022

Minting and Gautby Parish Council

C/O The Chairman
Manor Farm
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To the Minting and Gautby Parish Council

REF: Parish Council Internal Audit Report for Period 2021/22

Opinion

I performed the Annual Internal Audit for the Minting and Gautby Parish Council on 18 May 2022.

The Minting and Gautby Parish Council is classified as a small authority as total income and total expenses are each less than £25,000. Therefore, my audit involved an inspection of the following:

- The accounting spreadsheet detailing income and expenditure, establishing an audit trail for invoices and reconciliation to the bank statements
- All expenses
- VAT claim for the year
- The current Asset Register
- Budget for the 2022/2023 precept
- Risk Assessment documentation
- Parish Council website presence

Internal controls and Governance were assessed to ensure the correctness of the presentation of the Annual Governance and Accountability Return 2021/22.

In my opinion, the financial documents present fairly, in all material respects, the financial position of the Parish Council as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with relevant International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted the audit in accordance with International Standards on Auditing (ISAs). My responsibilities particular to auditing Parish Councils are further set out in the Accounts and Audit Regulations 2015.

The accounts for the Minting and Gautby Parish Council have been prepared on an income and expenditure basis.

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Key Audit Matters

1. Standing Orders: (Repeated from previous report as a reminder)

Standing Orders govern the rules and procedures followed by the Parish Council. No departure from these procedures should occur unless the relevant Standing Order has been correctly modified. Legal advice may even be necessary.

Each Councillor should possess a folder of all adopted Standing Orders to ensure each is aware of the Parish Council legal responsibilities and the required procedures and rules for the operations of the Parish Council. As a note, the Risk Assessment document also lists several publications that Councillors should either possess or have access to. This is to allow for an affirmative to Internal Control Objective C and Assertion 3 in the Annual Governance Statement.

2. Continual Development: (Repeated from previous report as a reminder)

Councillors are encouraged to take part in various courses offered by the appropriate authorities to ensure all are current in their knowledge of the roles and duties expected of the Parish Council. This, as well as the rotation of roles and duties within the Parish Council itself, will ensure the continuation and growth of the Parish Council as a respected authority within the community.

3. Website:

The Parish Council is to be commended on the new website as it is clear and easy to see the Parish Council activities. However, I did notice that the 'Contact' link has yet to be updated with the email and postal address details for the Parish Council Clerk. This is essential as the Clerk is solely responsible for all communication to and from the Parish Council.

All Parish Council Policies and Procedures and Standing Orders should be listed on the website. It is suggested that each has the date of adoption noted for clarity and to clearly identify when they were last revised. This is important as some legal procedures and rules may change over time and the Parish Council must formally adopt or alter their Policies and Standing Orders to correctly comply with regulations. Care must be taken to ensure that all Parish Council policies are clearly listed so that members of the public can understand the processes involved. This may be in the form of expanded documents for the most common policies, then a list of all policies adopted and a note on how to request a copy of such. For example, I was unable to find a current Freedom of Information Policy listing on the website.

4. Risk Assessment:

A reminder that the Parish Council must consider the risks both financial and legal that may arise from any decisions made during the year. If any concerns are raised, then the risk must be addressed, and controls put in place to ensure that the same decision or process is not repeated.

The Risk Assessment document is also reviewed annually and is a two-fold process:

- a) a general review of the Risk Assessment document to allow additions and alterations.
- b) risk levels monitored and alleviated by ensuring the listed procedures and processes are followed.

5. Repairs and Maintenance Expenditure:

As suggested, I drove through Gautby and observed the improvement in the Gautby general outlook. I agree that the painting of the small Village Hall is a vast improvement and is money well-spent. However, a small point that may cause some confusion is the noticeboard being labelled 'Parish of Gautby'. Possibly consider relabelling this for correctness to: 'Gautby Village, Minting and Gautby Parish Council', and the same on the Minting Village board: 'Minting Village, Minting and Gautby Parish Council'.

A note to remember is that repairs and maintenance expenditure is not an asset itself, but rather is essential to the maintenance of physical elements that belong to the Parish Council. Therefore, this value is not added to the Asset Register as an item.

Responsibilities of the Parish Council and Those Charged with Governance for the Financial Statements

Managing the internal controls on a day-to-day basis, as well as maintaining and preparing financial statements. The authority is charged with maintaining good governance to ensure that obligations are fulfilled in line with applicable statutory regulations.

The authority is responsible for setting the scope for the internal audit, as well as ensuring that the Internal Audit provider is both independent of the authority, without any actual or perceived conflict of interest, and competent to perform the audit.

The authority should, at least annually, carry out a review on the effectiveness of their system of internal control and governance.

Auditor's Responsibilities for the Parish Council Internal Audit

The objective of the Internal Audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective. This review of the internal controls includes confirmation of compliance to relevant good governance assertions.

The Internal Audit should be an on-going function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls.

It is not the function or responsibility of the Internal Audit to inspect, in detail, all records and transactions in order to detect error or fraud.

Signed: D Horsley



Dated: 20 May 2022