



Internal Audit Report.

Council:	Minting and Gautby
Internal Auditor:	Tony Shaw
Year Ending:	31 st March 2024
Date of Report	20/06/2024

This internal audit has been conducted in accordance with JPAG The Practitioners' Guide - March 2023 - Section 4 'Internal Audit'. It is recommended that a council completes an intermediate mid-year audit which allows any weaknesses in governance and internal controls to be corrected during the financial year and an end-of-financial-year audit.

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 sampling tests undertaken by 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 further audit enquiries being raised and the external auditor issuing a qualified opinion.

Lincolnshire Association of Local Councils

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To the Chairman of Minting and Gautby Council

I have examined council business documents including policies, agendas and minutes, accounting and financial statements and other documents relevant to this internal audit.

The results of this internal audit are recorded on the next page. If any part of the audit was found to 'unsatisfactory' I have provided recommendations to improve the weakness identified.

Context

It was noted that the council does not employ a Clerk/RFO. The Chair of the council acts as Clerk and a further councillor functions as RFO. This operating setup was borne in mind throughout the audit, to ensure internal controls are not compromised.

Key Governance

In Jan 2024 the council adopted model Standing Orders and Financial regulations but these have not been tailored. Within the documents there are round brackets which signify where a numerical value needs entering. Elsewhere there are paragraphs that use square brackets to indicate a choice between, for example, full council or a nominated committee.

Recommendation: Review Standing Orders and Financial Regulations to complete tailoring to the council's needs.

Agendas

The wording of agenda notices is as an invitation to residents, rather than a summons for Councillors to attend.

Recommendation: Modify the wording of agenda to make clear it is a summons.

Internal Controls

This is not an area of concern, but for completeness I noted that the council uses a cheque book and does not have online banking. Three signatories exist, including the Chair/Clerk, but where payments are being made to the Chair/Clerk, they are also signed by the other signatories.

Recommendation: Include a paragraph in the council's Financial Regulations to cover this scenario, to demonstrate appropriate controls are in place.

Scheme of Delegation

The council meets bi-monthly, with occasional Extraordinary meetings to discuss planning applications. The need to make some payments between meetings may also arise and the transaction spot checks highlighted three payments that were retrospectively approved. A

Scheme of Delegation sets out those powers delegated to the Clerk/RFO to carry out essential business between meetings. Whenever these delegated powers are used, they should be reported at the next meeting.

Recommendation: Adopt a Scheme of Delegation.

Summary

As a small council, which successfully operates without an employed Clerk/RFO, it is an excellent example of how public money can be used entirely for the benefit of the community.

I would like to thank the Clerk for their assistance in providing necessary documentation.

Yours sincerely

T. Shaw

Tony Shaw
Internal Auditor
Lincolnshire Association Local Councils

Date: 20 June 2024