



## Internal Audit Report.

Council:	Sedgebrook Parish Council
Internal Auditor:	Mr Chris Pilkington
Year Ending:	31 <sup>st</sup> March 2024
Date of Report	15/05/2024

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 Sedgebrook Parish Council**

I have examined council business documents including policies, agendas & 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.

The Council has a competent and diligent Clerk, and the overall governance of the Council is good.

As mentioned above I have made recommendations in the checklist to address any issues identified. I do though want to highlight two issues.

### **Declaration of Acceptance of Office Forms**

Cllr Wood appears not to have completed a declaration of acceptance form for the office of councillor following his uncontested election to the Council in 2023. Whilst one was completed for accepting the role of chairman one should also have been completed for being a councillor and nor can I find any reference in the minutes to it being agreed that he complete the form at a later date. Further to Section 83(4) of the Local Government Act 1972 I believe that he has therefore (albeit inadvertently) vacated the office of councillor. I do though recommend that the Council seek specific advice from LALC about the matter and follow their advice.

### **Reserves**

The Council should hold a general reserve sufficient to cover between 3 and 12 months' worth of expenditure. Whilst I understand that the Council has c.£18,000 of reserves towards replacement play equipment part of that should be set aside as a general reserve. Further information about general and earmarked reserves can be found in Sections 5.31 to 5.39 of the Joint Panel on Accountability and Governance (JPAG) Practitioners Guide (March 2024) which sets out the 'proper practices' the Council must follow further to the Accounts and Audit Regulations 2015.

Yours sincerely



**Mr Chris Pilkington**  
Internal Auditor

Lincolnshire Association Local Councils

Date: Wednesday 15<sup>th</sup> May 2024

<b>Area of work checked</b>	<b>Outcome</b>
Implementation of previous auditor recommendations	Satisfactory
Implementation of previous AGAR weaknesses/ recommendations	Satisfactory
Key Governance Review	Satisfactory
Transparency	Satisfactory
Accounting	Satisfactory
Budget	Satisfactory
Income Control	Satisfactory
Bank Reconciliation	Satisfactory
Petty Cash	Satisfactory
Year-end process	Satisfactory
Asset Control	Satisfactory
Risk Management	Satisfactory
General Administration	Satisfactory
Proper Process/Practice	Satisfactory
Payroll/HR	Satisfactory
Transaction spot checks	Satisfactory
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable