



Internal Audit Report.

Council:	Sedgebrook Parish Council
Internal Auditor:	Belina E Boyer
Year Ending:	31 st March 2025
Date of Report	21/06/2025

This internal audit has been conducted in accordance with JPAG The Practitioners' Guide - March 2024 - 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

Internal Audit Report.

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.

I confirm that I am independent of the council, its officers and councillors and its activities and I identified no conflicts of interest to my work with this council to the best of my knowledge.

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.

Yours sincerely

Belina E Boyer FSLCC

Internal Auditor

Lincolnshire Association Local Councils

Date:25/06/2025

Area of work checked	Outcome
Implementation of previous auditor recommendations	Unsatisfactory
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	Not applicable
Asset Control	Satisfactory
Risk Management	Satisfactory
General Administration	Satisfactory
Proper Process/Practice	Satisfactory
Payroll/HR	Satisfactory
Transaction spot checks	Satisfactory
Year-end process	Not audited
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Choose an item.
Other:	Choose an item.

Recommendations

1. Last year's IA report commented on the apparent lack of a Declaration of Acceptance of office **as a councillor** from the then chairman CllrWood. He resigned as the chairman at the March 2024 meeting, but it is not clear from the minutes if the apparent lack of acceptance of the role of councillor was ever investigated.
2. The level of earmarked reserves versus general reserves were mentioned in the previous report. I have not been able to find any reference to any moneys being earmarked for specific projects. There should be a council decision at the end of the financial year or at budget review, how much of the councils reserves are earmarked and for what purpose. This should be reviewed regularly. Please see the most recent copy of the Practitioner's guide for the recommended levels of reserves for a council this size.
3. Agendas published on the website should be signed and dated just as the physical copies put on the notice boards to ensure transparency that 3 clear days' notice was given
4. The council currently uses a gmail email address for its council business. Please see the new practitioner's guide for details for the coming financial year. The cost of providing a .gov.uk email address is minimal.

5. Please check the Practitioner's Guide for advice on **bank reconciliation**: 1.10 Bank reconciliation - Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end and reviewed by members of the authority." An example can be found in the Guide under 5.24.
6. Authorities with a turnover not exceeding £25,000 must publish the following information online: All items of expenditure above £100, end-of-year accounts, annual governance statement, internal audit report, list of councillor or member responsibilities, details of public land and building assets, and minutes, agendas, **and meeting papers** of formal meetings. I have not been able to find meeting papers on the council's website.

Whilst I believe there is room for improvement and a need to take action, particularly in view of email addresses and domain names, I believe the council overall operates at a satisfactory level.

I would like to give my thanks to the clerk who supplied me with the evidence requested.

Recommendations regarding the Annual Governance Statement 2024-25

Annual Governance Statement Assertion	Internal Auditor comments
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness	✓
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances	✓
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements	✓
9. Trust Funds	N/A

-End of Internal Auditor's Report-