



## Internal Audit Report.

Council:	Baston Parish Council
Internal Auditor:	Carl Thomas
Year Ending:	31 <sup>st</sup> March 2025
Date of Report	01/04/2025

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 Baston 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.

I would like to thank the Clerk, Sarah Phillips, for her prompt attention in providing the information in order for e to complete the audit.

Yours sincerely

***Carl Thomas***

Internal Auditor

Lincolnshire Association Local Councils

Date: 30<sup>th</sup> April 2025

<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	Not applicable
Asset Control	Unsatisfactory
Risk Management	Unsatisfactory
General Administration	Satisfactory
Proper Process/Practice	Satisfactory
Payroll/HR	Satisfactory
Transaction spot checks	Satisfactory
Year-end process	Satisfactory
Allotments	Not audited
Cemetery/burials	Not audited
Charities	Not audited
Community Buildings	Not audited
Markets	Not audited
Other:	Choose an item.
Other:	Choose an item.

## Recommendations

1. Adopted Standing Orders appear to be based on the 2018 model. This requires updating to the current model Standing Orders.
2. There is no Publication Scheme in place. This is a legal requirement. This requires urgent attention.
3. There is no GDPR policies in place. This requires urgent attention.
4. The Final AGAR Certificate has not yet been published.
5. There has been no VAT returns submitted. In the financial year 2024/25 this amounted to £971.63.
6. There is at present no Asset Register. The Clerk is currently working on this.
7. There is no Risk Management Policy or Register.

8. The Council are not registered with the Information Commission and should be.
9. There is no backup system for electronic files. You may wish to consider either implementation of a cloud based back up system or an external hard drive.

## Recommendations regarding the Annual Governance Statement 2024-25

Annual Governance Statement Assertion	Internal Auditor comments
1. <i>We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i>	
2. <i>We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness</i>	Whilst it appears through the minutes and in conversations with the Clerk there is adequate internal control this could be bolstered through Risk Management and Internal Control Policies. Accounting records see to be robust and comprehensive.
3. <i>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</i>	
4. <i>We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.</i>	
5. <i>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.</i>	With no Risk Management Policy or Register an 'assessment' of those risks hasn't been documented and any steps taken to mitigate such risks.
6. <i>We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i>	
7. <i>We took appropriate action on all matters raised in reports from internal and external audit.</i>	Only part of the recommendations from the 2023/24 audit has been completed.
8. <i>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</i>	
9. <i>Trust Funds</i>	

-End of Internal Auditor's Report-