



Internal Audit Report.

This audit report is to read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return.

Council:	Mareham Le Fen Parish Council
Internal Auditor:	Carl Thomas
Year Ending:	31/03/2024
Date of Report	26 th July 2024

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 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 a qualified audit opinion.

I have completed a thorough audit of Mareham-Le-Fen Parish Council primarily limited to systems and procedures and financial balancing. I have not undertaken an indepth audit of the accounts but would be happy to do so if required.

From what I have seen I do not consider that such an audit is necessary.

PREVIOUS AUDIT

The reported has been seen. A Scheme of Delegation was recommended which has not yet been implemented.

GOVERNANCE

Most policies have been updated during the year although the website versions are out of date.

The policies not reviewed recently are the Public Scheme and GDPR which could benefit from a review.

Recommendation:

- Update website with updated policies.
- Review Publication Scheme and GDPR Policies.
- Would also suggest adopting an Internal Control Policy and Scheme of Delegation.

TRANSPARENCY

Compliant with no concerns.

ACCOUNTING

Limited internal control albeit no concerns raised. The Council may benefit from an Internal Control Policy.

No VAT re-claims have been during the period under review although the Clerk confirms this is in hand.

S137 payments are not separately identified on the accounts if any have been made.

Comparison of actual expenditure against budget is completed annually and hasn't been minuted. This should be completed on a regular basis and presented to Council.

Recommendations:-

- VAT claim requires submitting
- S137 payments need identifying
- Ensure Council review the budget monitoring.

DUE PROCESS

Agenda's correct and available.

Minutes correct and available.

List of Members Interests available.

RISK MANAGEMENT

No unusual activity identified within the minutes.

Insurance has been reviewed and appropriate.

Internal control is limited but with no concerns. It may be wise to introduce an Internal Control policy.

Bank balances are reported to every meeting.

Section 137 payments are separately identified within the accounts.

There are only two bank signatories with full access and this may present difficulties should one member resign. I would suggest adding more signatories to cover this potential risk.

Recommendations:-

- Consider introducing an Internal Control Policy.
- Additional bank signatories need adding to the bank mandate.

BUDGET

Appropriate budget process has been undertaken.

PAYROLL

No concerns raised. HMRC Basic payroll system utilised.

ASSET CONTROL

An assets register is available and reviewed regularly.

BANK RECONCILIATIONS

These are undertaken regularly and reported to every council meeting.

YEAR END PROCEDURES

No areas of concern.

Annual return correctly signed and submitted in previous year.

Notice of Public Rights correctly recorded.

SUMMARY

Recommendations from previous audits do not appear to have been carried out.

Other than some minor areas the Council is well governed.

I would also like to thank Andrew Everard for his co-operation whilst undertaking and conducting this audit.

Carl Thomas

10th July 2024