



Internal Audit Report.

Council:	Ruskington Parish Council
Internal Auditor:	Mr Chris Pilkington
Year Ending:	31 st March 2024
Date of Report	25/06/2024

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 Ruskington Parish Council

As well as examining documentation available on the Ruskington PC website I also visited the offices of the Parish Council on 5th June and 21st June 2024 and received full co-operation from the Clerk to the Council, Kathryn Locke, and the Responsible Financial Officer, Kirsty Sinclair.

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 competent staff and its overall governance is good. I have noted that a number of recommendations from the mid-year internal audit have already been addressed or are in the process of being addressed.

I would highlight the following matters:

Council Vacancies

The Council should continue its efforts to fill the five vacancies of the Council. Carrying so many vacancies increases the risk of inquorate meetings and interruption to the business continuity of the Council (e.g. not having enough bank signatories).

Internal Control Checks

Whilst overall the accounting practices of the Council are good I understand that members of the Council have not carried out internal control checks during the 2023-2024 financial year. This represents a risk to the Council which should be rectified. Frauds and errors do occur on parish and town councils. Frauds are sometimes carried out by councillors, but usually by officers, but either way invariably by people who were previously trusted. Not having a system of internal control checks in place may also mean that, should a fraud be perpetrated, then the Council's might not fully cover the loss, if at all. Internal control checks can involve cross checking bank statements with invoices and receipts, checking petty cash, checking VAT has been reclaimed and other simple checks.

This issue was raised during the mid-year internal audit report and I am pleased that at its meeting on 11th June 2024 the Council agreed action regarding this matter.

Reserves

At the end of the 2023-2024 the Council only held £49,786.81 in total in its bank accounts and petty cash. The Council needs to review its level of general reserves so that it is complaint with the relevant guidance in the JPAG Practitioners' Guide (Sections 5.32 to 5.38

in the March 2023 edition). It should have at least 3 months of general expenditure as a general reserve. Based on its budgeted expenditure for 2023-2024 (£265,891) then it should be holding at least £66,472.75 as a general reserve. It may also want to create an election reserve as that is expenditure which can be anticipated every four years.

Transparency Code 2015

The Council is not compliant with the Transparency Code for local authorities with a turnover above £200,000 and should take steps to be compliant.

Asset Register

Work should continue to update the asset register of the Council and up to date insurance valuations of its properties should be undertaken if not done in the last few years.

Allotments

As mentioned in the mid-year internal audit I did note that in December the Council agreed to raise allotment rents as of October 2024. However please note that 12 months notice of rent increases needs to be given.

Yours sincerely



Mr Chris Pilkington

Internal Auditor
Lincolnshire Association Local Councils

Date: 25th June 2024

Area of work checked	Outcome
Implementation of previous auditor recommendations	Satisfactory
Implementation of previous AGAR weaknesses/ recommendations	Satisfactory
Key Governance Review	Satisfactory
Transparency	Unsatisfactory
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	Satisfactory
Cemetery/burials	Satisfactory
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable