



## Internal Audit Report

This narrative internal audit report is to be read in conjunction with the Annual Internal Auditor's Report for the Annual Governance and Accountability Return.

Council:	Quadring Parish Council
Internal Auditor:	John Kilcoyne
Year Ending:	31 <sup>st</sup> March 2025
Date of Report	24 <sup>th</sup> May 2025

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.

Although this report is addressed to the Chairman of the parish council, it is for the attention of all members. It is recommended that this report should be made available for the external auditor and published alongside the AGAR on the parish council website.

**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.**

## To the Chairman of Quadring Parish Council

This report was compiled in May 2025 and includes inspection of

- the parish council website
- documents and other information requested from the Clerk to Council

relating to council business between April 2024 and March 2025. One remote meeting was held with the Clerk to Council.

The internal auditor's narrative report for 2023-2024 identified areas of concern with recommendations for action. Credit was given at the time to the clerk for her review of council practices and procedures and for her plans for improvement. Further credit is now due to the clerk and council for addressing the concerns and bringing council back to a position of compliance. Thanks are given to the clerk for her assistance in the investigation of council activity and preparation of this report.

Several areas are identified where action may be recommended. These do not affect completion of the AGAR for 2024-2025 and are offered as suggestions for improvement.

This report should be discussed in full council with an appropriate programme of remedial action identified.

## Recommendations from 2023-2024

Recommendations from last year's internal auditor's narrative report were revisited. Council documents were inspected to find evidence that these items had been addressed. The minutes from June 2024 showed that council considered the internal auditors' report.

<i>Recommendation 2023-2024</i>	<i>Evidence 2024-2025</i>
Record when business returns to council session from closed session.	Issue did not arise
Monthly budget monitoring	July 2024 onwards
Monthly reconciliations	July 2024 onwards
Review of bank signatories and authorisation of payments	Not found
Monitoring of reserves	November 2024 onwards
Review risk management register including financial risk	Not found
Review insurance to check the cover is appropriate for council's needs	May 2024

Several criteria within the AIAR for 2023-2024 required a No response. Evidence is shown below to identify where evidence can be found for 2024-2025

Areas in the 2032-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked		
	<i>Reason 2023-2024</i>	<i>Comment 2024-2025</i>
<b>A</b>		
<b>B</b>		
<b>C</b>		
<b>D</b>	<i>Insufficient evidence was shown for an adequate budgetary process.</i>	Adequate process identified, November 2024
<b>E</b>		
<b>F</b>		
<b>G</b>		
<b>H</b>		
<b>I</b>	<i>No evidence of periodic bank reconciliations</i>	July 2024 onwards
<b>J</b>		
<b>K</b>		
<b>L</b>	<i>No evidence of some items required by the Transparency Code for Smaller Authorities</i>	Evidence of items found
<b>M</b>	<i>No evidence available to show a period of public rights correctly provided</i>	Correctly observed, 24 <sup>th</sup> June to 2 <sup>nd</sup> August 2024
<b>N</b>	<i>No evidence of notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.</i>	<a href="https://quadrington.parish.lincolnshire.gov.uk/downloads/file/187/2023-2024-notice-of-public-rights">https://quadrington.parish.lincolnshire.gov.uk/downloads/file/187/2023-2024-notice-of-public-rights</a>
<b>O</b>		

Evidence has been found to show that all these areas have been addressed.

## Council business

Policies inspected are mostly up to date with an appropriate schedule of reviews. Financial regulations are based on the 2024 model and standing orders updated in line with the 2025 model.

Attention is drawn to the following items on the council website:

ICO certificate: out of date at the time of inspection.

Website Accessibility Statement: last reviewed 2021

## Finance

Appropriate financial records are kept throughout the year. However, some discrepancies were found in the amounts recorded in the minutes of various meetings. Correspondence with the clerk has identified the correct figures and matched against the accounts. Care should be taken to make sure all income and expenditure is recorded accurately and that calculations are correct.

## 2024-2025 AGAR Annual Internal Audit Report

An explanation is required for any line within the Annual Internal Auditor's report for which Yes cannot be ticked.

Internal control objective		Yes	No	Not covered	Explanation
<b>A</b>	<i>Appropriate accounting records have been properly kept throughout the financial year.</i>	✓			
<b>B</b>	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	✓			
<b>C</b>	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	✓			
<b>D</b>	<i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	✓			
<b>E</b>	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	✓			
<b>F</b>	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>			✓	No petty cash held
<b>G</b>	<i>Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</i>	✓			
<b>H</b>	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	✓			
<b>I</b>	<i>Periodic bank account reconciliations were properly carried out during the year.</i>	✓			
<b>J</b>	<i>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</i>	✓			
<b>K</b>	<i>If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			✓	Correctly identified as not exempt.
<b>L</b>	<i>The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation</i>	✓			
<b>M</b>	<i>In the year covered by this AGAR, the authority correctly provided for a period, for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-2024 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	✓			
<b>N</b>	<i>The authority has complied with the publication regulations for 2022/23 AGAR (see AGAR Page 1 Guidance Notes)</i>	✓			
		Yes	No	Not applicable	Explanation
<b>O</b>	<b>(For local councils only)</b> <i>Trust funds (including charitable) – The council met its responsibilities as a trustee</i>			✓	No charitable trust

## Accounting statements 2024-2025

	Year ending 31 March 2024 (£)	Year ending 31 March 2025 (£)
1. Balances brought forward	17,317	17,815
2. Annual precept	12,000	14,400
3. Total other receipts	23,986	31,849
4. Staff costs	2,907	3,085
5. Loan interest/capital repayments	0	0
6. Total other payments	32,584	41,493
7. Balances carried forward	17,815	19,486
8. Total cash and investments	17,815	19,486
9. Total fixed assets and long-term assets	54,786	68,070
10. Total borrowings	0	0

For local councils only		Yes	No	N/A
11.	11a. Disclosure note re Trust funds (including charitable)		✓	
12.	11b. Disclosure note re Trust funds (including charitable)			✓

Yours faithfully,

*J Kilcoyne*

John Kilcoyne

Internal Auditor for Lincolnshire Association of Local Councils

24<sup>th</sup> May 2025