

Internal Audit Report

Council: **Spilsby Town Council 2024/25**

Period: **1st April 2023 to 31st March 2025**

The requirements of this audit were discussed with the Town Clerk & RFO and the deputy Clerk during the onsite visit (15th April 2025).

Documentation has been reviewed on-line via the Councils website:

<https://spilsby.parish.lincolnshire.gov.uk/>

and I carried physical review of financial records and other relevant associated documents during the onsite visit.

The following areas of review were included in the scope of the interim audit:

- **Governance**
Review of the key governance documents of a local council including Standing Orders, Financial Regulations, Code of Conduct, complaints procedures and insurance cover for the council.
- **Transparency and requirements of the Transparency Code**
Covering the council's transparency including but not limited to data protection procedures, spending authorisation and the council's publication scheme. This review also covers the council's requirement to publish documents and records in line with either the relevant Transparency Code or best practice.
- **Accounting and bank reconciliations**
Review of financial records, the cashbook, and invoices to check that records are arithmetically correct, and an audit trail can be found for a random selection of transactions. Bank reconciliations are reviewed and checked to ensure that they have been signed as appropriate by the council.
- **Budget and income**
Covering the council's budgeting processes and its annual precept request.
- **Asset control and risk management**
Review of the council's asset controls and risk assessment procedures.
- **Proper process and practices**
This includes a review of the processes followed by the council in respect of its legal powers to act, the membership of the authority including whether co-options have been carried out appropriately, declarations of interest are recorded as necessary, and registers of interest are published on the council's website.
- **Payroll and HR**
A review of payroll processes and HR policies and procedures to establish and ensure contracts of employment are in place for staff.

- **Year-end processes**

A review of the end of year bank balances, cashbook and ledger ensuring that they match corresponding bank statements was undertaken during the office visit and I have completed and returned the relevant section of the AGAR form.

- **Review of transactions in the financial year**

A spot check of a random selection of transactions during the financial year. The review checks that there is an audit trail for the transactions from authority to spend through to payment of the invoice.

Internal Audit

Regular updates to the Council's financial record keeping software system (Scribe) have been undertaken throughout the financial period. The financial software system includes all transactions during the financial period 1st April 2024 to 31st March 2025 and records and supporting invoices provide an adequate and robust audit trail.

Sample transactions were checked during this audit to establish an audit trail from the authority to spend (within minutes) through to payments made and from this sample there is no evidence of any irregularity.

This report accompanies the Internal Audit Checklist which describes the checks carried out and relevant auditor notes.

I take this opportunity to thank the Clerk & RFO for his assistance during my visit and for providing supporting documentation whilst carrying out this review.

I have examined Council business and transactions including policies, agendas, minutes, accounting and financial statements and other documents relevant to this audit.

I am satisfied that the management and governance of Spilsby Town Council remains satisfactory, meets statutory requirements and is consistent with current legislation and best practice overall.

The Town Council is competently supported by an experienced, knowledgeable, and dedicated Clerk and RFO remains key to the continued and effective delivery of Council business.

Accurate documentation has been maintained for the Council throughout the 2024/25 period.

Several areas are identified where action points are recommended; however, they do not exhibit cause for concern and will not affect the completion of the AGAR at the end of the financial year; suggestions are offered as potential development of the Council.

Matter for noting / to be considered – 2024/25 internal audit.

- **Financial Regulations** – the threshold amounts were updated following advice at year end 2023/24.
- **Insurance Cover** – Insurance cover and employees liability cover has been published following advice at year end 2023/24.
- **GDPR** –GDPR policies have been reviewed following advice at year end 2023/24.
- **Asset Register** – has been updated and published following advice at year end 2023/24.
- **Risk Register** - has been updated and published following advice at year end 2023/24.

- During the 2024-25 period the authority did not correctly provide a period for the exercise of public rights as required by the Accounts and Audit Regulations as the date of announcement and the date of commencement were the same.

As a result, the Council must answer '**NO**' to **Assertion 4** of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the publication of the exercise of public rights for the 2024/25 period during the 2025/26 administration period.

The Town Clerk & RFO has been advised on publication dates for the 2024/25 period to be published in the 2025/26 period.

- Section 2, Box 3 (2023/24) on the current AGAR needs to be 'restated' due to a typographical error. The Town Clerk & RFO has been given advice on correcting this minor error on the 2024/25 AGAR form.

Steve Fletcher

Mr S Fletcher

Internal Auditor

Lincolnshire Association of Local Councils

24th March 2025

Appendix 1

Area of work checked	Outcome
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	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 and burials	Satisfactory
Charities	Not applicable
Community Buildings	Not applicable