



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:	Scothern Parish Council
Internal Auditor:	Stacey Knowles
Year Ending:	March 2025
Date of Report	21 st 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.

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.

Lincolnshire Association of Local Councils

Internal Audit Report

To the Chairman of Scothern Parish Council

I have examined council business including policies, agendas & minutes, accounting and financial statements and other documents relevant to this audit. Together with the interim audit report dated 6th December 2024, this forms the completed internal audit for the year ending March 2025.

Recommendations made in December 2024:

- When setting the annual budget and subsequently the precept, the budget amount agreed upon should be included in the minutes. This allows residents to see that the precept figure arrived at is supported by a clear budgetary process and figure.
- A confidential session of the council was used to consider the NJC contractual pay award. It is not necessary to consider the acceptance of the national pay award in confidence. This is because the NJC pay award and revised salary scales are already within the public domain. The council would only need to use a confidential session if an employee's salary point was being discussed as this would be considered personal information relating to the employee.
- It is recommended to check the IR35 rules for contracts. In particular, for cleaning of the bus shelters.
- The pension redeclaration documents were not available for review. These are currently held by a councillor. It is recommended that the clerk as proper officer of the council retains all official documentation on behalf of the council. This is in line with Standing Orders, Councillor/employee protocol and the clerk's job description. This check will be completed at the next internal audit meeting.

All recommendations from the audit in December 2024 had been implemented. The auditor was shown the pension re-declaration documents. Re-declaration was not due until October 2026.

The Internal Audit section of the AGAR has been completed and signed appropriately. 'Yes' responses have been provided for all internal control objections except for internal control objectives F, K and O which were not applicable to the council.

Thank you to Lisa for meeting with me and accommodating the audit.

Yours sincerely

Stacey Knowles

Internal Auditor
Lincolnshire Association Local Councils
Date: 21st May 2025