

# North Thoresby, Waithe and Grainsby Parish Council

## Request for Information Decision

Date of request: 04/10/2025

Date of decision: 31/10/2025

### **Request:**

I request that you provide the following information electronically to me at the following email address XXXXXXXXXXXXXXXX.

Further to our conversation today, and specifically regarding the appointment of an internal auditor for the 2024/25 period, this should help:

The NALC document “Joint Panel on Accountability and Governance, Practitioners’ Guide” states “Assertion 6 – Internal Audit; section 1.35 Internal audit — The authority needs to appoint an independent and competent person to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes considering internal auditing guidance for smaller authorities.”

This is mandatory – you, the council, *must* follow due process and **appoint** a duly named person, which means that (like every other council appointment) the IA can only be **appointed** following due process of discussion and approval by the full council in a public meeting.

As stated in section 4.7, you can **appoint** a member of a panel of “individuals administered with appropriate safeguards and segregation of duties by a local association affiliated to NALC, SLCC or ADA.” The guidance supports the mandatory requirements that you must **appoint** an individual following due process of discussion and approval by the full council in a public meeting

The **appointment** of the IA (section 4.13 of the guide) states: Every authority should ensure that they have a letter of engagement which would normally include:

- roles and responsibilities
- audit planning and timing of visits
- reporting requirements
- rights to access to information, members and officers
- period of engagement
- remuneration
- any other matters required for the management of the engagement by the authority

**These all requires the approval of the parish council followed by the issuing of the letter of engagement – which you have not done.**

Further, regarding the independence of the IA, the Practitioners’ Guide states there must be the absence of any actual or perceived conflict of interest: as stated

1.the auditor you used for the 2024/25 AGAR was never actually **appointed** by the council following due process in a public meeting and recorded in the minutes.

2.Section 4.10 of the Practitioners Guide states that “Conflicts of interest must be avoided, such as in cases where an external provider of accounting software or services to the authority, also offers internal audit services through an associate company, firm or individual”

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3.Both yourself and LALC were obviously aware that they were already supplying you with services so there was a conflict of interest in them supplying you with an IA (which is a breach of the guidelines that LALC would be well aware of).

4.You were aware from objections and evidence supplied as part of the objections to the 2023/24 AGAR that your Webmaster was LALC, and that their website administrator, XXXX XXXX, had unlawfully changed the council legal documents that were stored online and been given access to the council's laptop and confidential records. By simply following due diligence you would have also seen that XXXX XXXXXX was also the clerk at LALC, worked with XXXX XXXX, and would even have some involvement in XXXX XXXX's remunerations, so there is a clear conflict of interest

I'm afraid whichever way you look at it, your 2024/25 AGAR is effectively a useless document that was issued by someone who is a friend and colleague of XXXX XXXX and who was never appointed by the council (had you done so, the parish would have been saved thousands of pounds – see the email following this one, which may help). As I explained, for the sake of the parish I have no option but to object to the 2024/25 AGAR

I will be in touch shortly to discuss viewing the records I wish to see.

### Decision:

In accordance with Section 1(1)(a) of the Freedom of Information Act 2000, you are advised that North Thoresby, Waithe and Grainsby Parish Council does hold information that falls within the description specified in your request.

- The appointment has been made by the Clerk/RFO in accordance with paragraph 3.7 of the Council's Financial Regulations and delegated powers under S.101 Local Government Act 1972.
- Signed terms of reference below
- The appointed Internal Auditor is an experienced, respected and qualified Town Clerk in Lincolnshire who has no other connection to this Parish Council's operations or financial arrangements consistent with paragraph 3.8-3.10 of the Council's Financial Regulations.

[april-2025-minutes](#) item 20

If information has been refused, please treat this as a Refusal Notice for the purposes of the Act.

### Your right of appeal:

If you have any queries regarding this decision, please contact the Clerk to the Parish Council.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request an internal review of our decision (within 40 days of this decision notice) you should write to:

North Thoresby, Waithe and Grainsby Parish Council, North Thoresby Village Hall, The Square, North Thoresby, DN36 5QL

Email address: [clerk@norththoresby-pc.gov.uk](mailto:clerk@norththoresby-pc.gov.uk)

## **North Thoresby, Waithe and Grainsby Parish Council**

If you are not content with the outcome of your complaint / the Internal Review you may apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF

Most of the information that we provide in response to the Freedom of Information act 2000/Environmental Information Regulations 2004 requests will be subject to copyright protection. In most cases the copyright will be owned by the Council. The copyright in other information may be owned by another person or organisation, as indicated by the information itself.

# North Thoresby, Waithe and Grainsby Parish Council



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Binal Sawjani

Clerk/RFO

North Thoresby Parish Council

## Internal Audit Service Requirements –Terms of Engagement

### 1. Mission Statement

To maintain and improve North Thoresby Parish Council's internal control methods in accordance with proper practices as set out in the Accounts and Audit Regulations 2015. The role of the internal auditor is to be a 'critical friend' looking at the processes and procedures and, where necessary, will make recommendations which will help the improve the council's governance. Some of these recommendations will be long term goals whereas others may need to be implemented more quickly. The appointed auditor will be available as part of the audit process to help guide you through what is needed.

### 2. Requesting an internal audit

Any council within Lincolnshire and surrounding areas may request an internal audit at any time through the financial year. Requests should be made through <https://www.lalc.co.uk/contacts/>

This letter confirms the basis on which services will be provided to you to avoid any misunderstandings of our respective responsibilities. LALC reserves the right to refuse to accept a request for an internal audit.

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## 3. The Council's Responsibilities

Financial management control and responsibility remains with the Council as a corporate body.

The Clerk to Council and Responsible Financial Officer (RFO) have clearly defined responsibilities in respect of recommending and implementing measures in respect of risk management, internal control, internal audit and preventing fraud and corruption.

The internal auditor's reports may be published by the Parish/Town Council as they direct and in accordance with their statutory responsibilities, however LALC recommends as best practice.

***The existence of an appointed Internal Auditor and the internal audit process does not diminish the responsibility of the Council as a corporate body to establish, monitor and maintain systems of internal control to ensure that activities are conducted in a secure and well-ordered manner.***

## 4. Internal Audit Objectives and Responsibilities

The primary objective of Internal Audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council, and to achieve this will adopt a predominantly systems-based approach to audit.

The Council's internal control system comprises the whole network of systems established within the Council to provide reasonable assurance that the Council's objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data

Accordingly, in the conduct of planned audits Internal Audit may:

- Carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete and sign the relevant Annual Internal Audit report section within the Annual Governance and Accountability Return (AGAR).
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems

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- Review the established systems to ensure compliance with those policies, procedures, laws and regulations which could have a significant impact on operations, and determine whether the council is in compliance
- Review operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out as planned

### 5. The Scope of Internal Audit Activity

There are no limitations on Internal Audit's scope of activities. The scope of Internal Audit allows for unrestricted coverage of the council's activities, including both financial and non- financial systems of internal control. The internal auditor will follow the standards laid out in the latest available version of *JPAG Practitioner's Guide Section Four – Best Practice Guidance for internal audit*. [JPAG PRACTITIONERS' GUIDE | Lincolnshire ALC \(lalc.co.uk\)](http://JPAG.PRACTITIONERSGUIDE.Lincolnshire.ALC.lalc.co.uk). The auditor will work through a checklist which will be sent to the council with this letter, so that they are aware of the checks that the auditor will be undertaking.

#### a) Independence

The main determinant of the effectiveness of Internal Audit is that it is independent in its planning and operation. To ensure this, Internal Audit will operate within a framework that allows:

- Unrestricted access to the officers of the council
- Elected members of the Council (where necessary)
- Reporting in its own name
- Segregation from the day-to-day operations of the council

Every effort will be made to preserve objectivity by ensuring that all Internal Auditors are free from any conflicts of interest and do not undertake any non-audit duties on behalf of the council.

#### b) Rights of Access

There are no limitations on Internal Audit's access to records. Internal Auditors have the authority to:

- access council premises at reasonable times agreed in advance
- access all assets, records, documents, correspondence and control systems
- receive any information and explanation considered necessary concerning any matter under consideration
- require any employee of the council to account for cash, stores or any other council asset under their control
- access records pertaining to third parties, such as contractors when required

#### c) Reporting

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The Internal Auditor will formally report the results of all audits undertaken to the Chair/Mayor, the Clerk & / or RFO and the Council and such recommendations made to Council must be considered by the relevant committee and Full Council and actioned where necessary. Outstanding issues will be followed up at subsequent internal audits to make sure that corrective actions have been taken or points clarified.

LALC will retain a copy of the auditors report and checklist for a period of three years to preserve a record for future audits and the Council.

The Council may publish all internal audit reports and should comply with its responsibilities under the relevant Transparency Code and its responsibility under the Freedom of Information Act 2000 Publication Scheme.

The Council remains responsible for dealing with any enquiries arising from the internal audit coming from Councillors, electors, council tax payers, residents and other bodies and stakeholders. The internal auditor is not required to answer these enquiries and LALC reserves the right to charge further fees where the internal auditor has to undertake further duties in relation to the Council's internal audit as requested by the Council.

Members of the public, electors, local taxpayers and residents have rights to inspect the accounts and associated documents and to raise questions to the external auditor in accordance with the Local Accounts and Audit Act 2014. The internal auditor is not a substitute for this statutory process.

### 6. Fees and charges

Fees are based on the electorate and reviewed each financial year – these can be found on the website. For your council the electorate is 950 and therefore the fees are £220 plus £10 for each additional service audited.

Our fees are based on the auditor undertaking an intermediate audit in the autumn/winter, followed by the year end checks and to sign off the internal auditor's part of the AGAR. Should the amount of time taken exceed the quoted hours and original fee quoted, LALC may raise a further invoice to cover the auditors fees.

Additional fees will be agreed before hand which could be for:

Additional meetings where necessary	@	£25/hr plus mileage at 45p/mile
Attendance at a council meeting	@	£25/hr plus mileage at 45p/mile

### 7. Complaints and Feedback

Following the conclusion of an audit, the Council will be asked to complete a customer satisfaction survey.

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If the Council is not happy with the service received, complaints should be raised as soon as possible as the matter arises and may be made directly to LALC.

- i) Where the issue raised relates to aspects of the internal auditor's findings and the judgements made these matters will be referred to the Lead Auditor to consider. The Lead Auditor may review the evidence and consider if the judgement reaches the standards expected for an internal audit.
- ii) Where the Council complains about other service standards relating to the internal auditor and the delivery of the service these may be considered under the LALC Complaints Procedure and other HR and staffing policies.

## Review of Terms of Engagement

These Terms of Engagement will be reviewed at least annually or as legislation and best practice amendments dictate.

## Agreement of terms

Once agreed, and signed, this letter stands effective until formal notice of termination is given by either party. Notice must be given before the audit cycle begins to avoid incurring charges.

Please confirm your agreement to the terms of this letter of engagement in writing quoting the minute reference and date of meeting at which it was resolved.

Signed: signed Position: Parish Clerk / RFO

Minute reference: 14 April 2025 56.25 at 19.51

Signed: signed Position: Chief Executive

Lincolnshire Association of Local Councils