



# Lincolnshire Association of Local Councils

## Internal Audit Checklist 2024/25

<b>Name of Parish or Town Council</b>	Heydour Parish Council		
<b>Parish Council website</b>	<a href="https://www.heydour-aisby-oasby.parish.lincolnshire.gov.uk">https://www.heydour-aisby-oasby.parish.lincolnshire.gov.uk</a>		
<b>Name of internal auditor</b>	Cathryn Nicoll		
<b>Date of audit</b>	17 March 2025 (Intermediate)		25 April 2025 (Final/AGAR)
<b>Type of audit</b>	Intermediate	X	Year-end (including AGAR) X
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	Rowena Boden	Heydour.clerk@outlook.com	
<b>RFO* if different</b>			
<b>Chairman*</b>	Richard Peace	heydour.cllrpeace@outlook.com	
<b>Electorate</b>	252	<b>Total number of seats</b>	Richard Peace
<b>Quorum</b>	4	<b>Number of seats filled at time of audit</b>	6
<b>Precept Demand 2024/25</b>	£7,500	<b>Gross budgeted Income</b>	£7,500 (precept only)
<b>Date of most recent audit</b>	2024 (intermediate/final+AGAR)	<b>Gross budgeted Expenditure</b>	£6,500
	<b>Tested?</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?</b>	Y	Yes - a number of suggestions made in relation to: <ul style="list-style-type: none"> <li>➤ transparency</li> <li>➤ income/banking</li> <li>➤ Asset control</li> <li>➤ risk management</li> <li>➤ Proper Process/Practices</li> <li>➤ Transitional checks</li> </ul>	
<b>Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (JPAG The Practitioners' Guide para 4.26)</b>	Y	Intermediate audit actions - 12 March 2024 Final audit actions - 14 May 2024	

Key governance review		Tested?	Comments & recommendations	Risk		
				Low	Med	High
1	Standing Orders <i>(up to date, tailored, reviewed and lawful)</i>	Y	Scheduled for review May 2025	X		
2	Financial Regulations* <i>(up to date (at least 2019 or 2024 version), tailored, reviewed and lawful)</i>	Y	Reviewed July 2024 - review scheduled for May 2025	X		
3	Terms of reference (committees / working groups) <i>(Agenda - clear days' notice, quorum, no individual councillors making decisions)</i>	Y	No committees - suggest HR committee or group.			
4	Councillors' Code of Conduct*	Y	Re-adopted May 2024. Signed to receive and accept to comply	X		
5	Complaints procedure* (tailored and reviewed)	Y	Scheduled for review 2026. Abusive/Persistent/Vexatious - reviewed March 2025.	X		
6	Insurance Cover <ul style="list-style-type: none"> <li>Reviewed annually for levels of cover</li> <li>Certificate(s) viewed &amp; valid</li> <li>Employees' Liability Cover in place and published*</li> <li>Public Liability Cover</li> <li>Employees' Fidelity Guarantee</li> <li>Councillors' ages reviewed and recorded (some policies restrict some or all cover over certain ages)</li> <li>Other e.g. vehicles, assets, equipment, volunteers ...</li> <li>Compare schedule against asset register and ensure adequate insurance is in place for items to be covered.</li> <li>Public liability insurance must match the PLI for any delegated services, assets (£10million)</li> <li>Any insurance claims during the previous 12 months which may affect the policy and valuations and cover.</li> </ul>	Y	Viewed - certificates to be uploaded to website	X		
7	General Power of Competence <i>(decision compliant with S.1-8 Localism Act 2011 and 'The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012')</i> . <ul style="list-style-type: none"> <li>Date and minute reference GPOC adopted</li> <li>Qualified Clerk? (CiLCA 2015 or later or Level 4 Community Governance or higher qualifications seen</li> <li>Two-thirds elected councillors at the time of adoption during the current cycle.</li> </ul>	Y	No qualified Clerk.	X		
8	Publication scheme (based on the ICO model template) <i>(up to date, tailored, reviewed and lawful)</i> and published on the council website*	Y	Next review will be March 2026	X		

9	GDPR policies in place* <ul style="list-style-type: none"> <li>Record Retention Schedule</li> <li>Data Breach Assessment</li> <li>Process for dealing with a Subject Access Request</li> <li>Security Compliance Checklist ....</li> </ul>	X	Data Breach Policy - review March 2026 Data Protection Policy - review July 2026	X		
10	Arrangement for inspection of public records adequate* ( <i>Announcement at least one day after parish council approval, announcement at least one day ahead of inspection period, minuted approval by council of inspection period dates - 30 working days including first 10 working days of July</i> ).	X		X		
11	External audit report published by 30 Sept ( <i>not applicable to councils validly certified as 'Exempt'.</i> )	Y	N/A			
12	Website Accessibility Statement reviewed and published online* <a href="https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps">https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps</a>	Y		X		

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y	Verbal to be uploaded	X		
14	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y		X		
15	Documents listed on front page of AGAR form published as specified.	Y		X		
16	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	Y	Verbal assurance given that this is so	X		
17	Past 5 years of annual returns available online*	Y		X		
18	Asset register published by 1 July*	Y	To be updated beginning of financial year	X		
<b>ICO Model Publication Scheme expected requirements:</b>						
19	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	Y		X		
20	Councillor responsibilities published by 1 July	Y	None	X		
21	Draft minutes published within one month of the meeting	Y	Verbal assurance given that this is so	X		

<b>Councils over £200K turnover:</b>						
<b>22</b>	Senior officer salaries published*					
<b>23</b>	Data on issues important to local people (eg.subsidised trade union activity, projects, parking, grants)*					
<b>24</b>	Procurement information over £5,000 published*					
Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
<b>25</b>	Cashbook maintained and up to date	Y	Viewed	X		
<b>26</b>	Arithmetically correct (checks / balance)	Y	Excel spreadsheet	X		
<b>27</b>	Evidence of internal control (compliant with Financial Regulations)	Y		X		
<b>28</b>	VAT* • evidence of recording • evidence of reclaiming	Y		X		
<b>29</b>	All payments supported by authorised, minuted invoices	Y	Viewed	X		
<b>30</b>	s.137* (last resort power for non-GPC councils) • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y	No S137 payments	X		
<b>31</b>	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Y	Viewed	X		
<b>32</b>	If Investments total over £100,000 an Investment Strategy has been adopted and ensure long-term investments for 12+ months are recorded in the Asset Register. (TPG 2.25-2.28 & 5.181-5.190)		n/a			

Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y		X		
34	Precept demand properly minuted*	Y			X	
35	Earmarked reserves reviewed	Y	Review of earmarked funds needs to happen and be minuted	X		
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y	Process outlined verbally	X		

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y	Viewed	X		
38	Precept income received in bank account	Y	Viewed	X		
39	Effective security of cash and cash transactions	Y	No cash	X		
40	Effective security of card transactions	Y	No credit card	X		

Bank reconciliation		Tested?	Comments & recommendations	Risk		
				Low	Med	High
41	Regular bank balances minuted and bank statement reconciliation and signed off by members and minuted.	Y	Councillors should be provided with hard or soft copies of bank statements.		X	
42	Balancing entries (adjustments) explained	Y	None			
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	Y	Under review at present time - view at Final Audit	X		

Petty cash		Tested?	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised		No petty cash			
45	Petty cash spending supported by VAT receipt(s)					
46	Petty cash reported to Council					
47	Petty cash float reconciled/reimbursed					

Asset control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
48	Register of assets* <ul style="list-style-type: none"> <li>• Exists</li> <li>• Reviewed and up to date</li> <li>• Published</li> </ul>	Y	Viewed - just updated for agreement at May meeting and upload	X		
49	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> <li>• Play equipment</li> <li>• Street furniture</li> <li>• Fire safety</li> <li>• Defibrillators</li> <li>• Other</li> </ul>	Y	Verbal to be put in place for the future following new play equipment		X	
51	Land and property registered with HM Land Registry. <a href="https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property">https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property</a>	Y	Verbal - to be investigated.		X	

Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	Y	Viewed two policies - reviews scheduled	X		
53	Annual risk assessment undertaken as a minimum	Y		X		
54	Financial controls and procedures documented	Y		X		
55	Regular financial reporting to Council in line with Financial Regulations	Y	Bank statements should be forwarded to councillors either hard or soft copy.			
56	Grants ratified and minuted according to policy	Y	March meeting (minutes not yet completed) for two grants awarded. View at Final Audit.	X		
57	Evidence of unusual activity from minutes	Y	None found.	X		

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	Y	USBs x 2	X		
59	Storage of files (paper and electronic) adequate	Y	Fireproof cabinets	X		
60	Local Council Award Scheme applicable? <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul>	Y	Verbal - not applicable at present.	X		
61	Registered with Information Commissioner's Office (if relevant)	Y	To be uploaded to website	X		

Proper Process / Practice		Tested?	Comments & recommendations	Risk		
				Low	Med	High
62	Employee posts properly approved/ recorded/ correct job descriptions in place for each post holder and amendments are confirmed by letter. <ul style="list-style-type: none"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff/ Grounds workers</li> <li>• Other</li> </ul>	Y		X		
63	Public sector IR35 rules applied where applicable <a href="https://www.gov.uk/guidance/off-payroll-working-for-clients">https://www.gov.uk/guidance/off-payroll-working-for-clients</a>	Y	Check at Final Audit. Compliance confirmed - ratify at May meeting.		X	
64	Right to work checks for employees completed <a href="https://www.gov.uk/check-job-applicant-right-to-work">https://www.gov.uk/check-job-applicant-right-to-work</a>	Y		X		
65	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on council website /link to District Council</li> <li>• reviewed regularly (<i>Members have a statutory requirement to complete and report changes within 28 days of change</i>)</li> <li>• Interests declared in meetings and members follow Standing Orders and Code of Conduct</li> <li>• Dispensations approved as set out in Standing Orders and minuted.</li> </ul>	Y	Link needed to SKDC website. Hard copies viewed.	X		
66	Declarations of Acceptance of Office* <ul style="list-style-type: none"> <li>• Councillor (after election/ co-option)</li> <li>• Chair (at least annually)</li> </ul>	Y	Viewed	X		
67	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	Y	Viewed	X		
68	Agenda documents lawful and published*	Y	Verbal	X		

<b>69</b>	Minutes lawful and published/ hard copy signed* - Apologies noted or resolved to be accepted? - A member absent for 6 months handled correctly? - Minutes sequential? - Members present and not present recorded - Interests correctly minuted and members leave room in accordance with Code of Conduct and Standing Orders (Ss27-33 Localism Act 2011) - Dispensations applied for and granted in accordance with Standing Orders (S.33 Localism Act 2011) - Resolutions are minuted and stated with clarity.	Y	Viewed website	X		
<b>70</b>	Confidential items correctly used and resolutions minuted and published <i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i>	Y	Viewed website	X		
<b>71</b>	Council-owned email address account in place <i>TPG 1.26</i>	Y	Agreed at March meeting to move to .gov.uk	X		
<b>72</b>	Purchase order system used/correct	Y	Verbal - not used	X		
<b>73</b>	Purchasing authorised in line with Financial Regulations / limits	Y	Verbal	X		
<b>74</b>	Council operating within legal powers* Best practice to include legal power in resolutions of council.	Y	To include power/duty within minutes.	X		
<b>75</b>	Delegation to officers or committees • Lawful delegation (an individual councillor does not have decision-making powers – S.101 Local Government Act 1972) • Limits set out in financial regulations and / or standing orders or policies or schemes of delegation; • adhered to; • reported adequately	Y	Verbal	X		

Payroll & HR		Tested?	Comments & recommendations	Risk		
				Low	Med	High
<b>76</b>	Written statement of particulars for all staff from day one (April 2020 onwards) <a href="https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars">https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars</a> and amendments to contracts confirmed in writing*	Y	Verbal	X		



77	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	Y	HMRC				X		
78	Is payroll inhouse or external provider used?	Y	In-house	X	External				
79	PAYE & NI payments spot checked - calculations	Y	Not eligible for PAYE/NI				X		
80	Employers Allowance – Councils are not eligible – payroll system checked.	Y	Verbal				X		
81	Approval of salaries and increments minuted	Y	Viewed minutes on website				X		
82	Approval of expense claims	Y	Viewed				X		
83	Minimum wage threshold met	Y	Verbal				X		
84	HR procedures and policies adopted / reviewed	Y	Viewed matrix/website				X		
85	Training policy and record staff /elected Members	Y	Viewed policy - training record needs to be devised.				X		
86	Probation review completed for new staff within probation period.	Y					X		
87	Annual appraisals undertaken	Y	With chairman - 360degree appraisal undertaken				X		
88	Job description up to date / reviewed	Y					X		
89	Health and safety of staff workstation & PC equipment undertaken * • <a href="#">Display Screen Equipment</a>	Y					X		
90	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	Y	Evidenced - viewed Not eligible.				X		
91	Adequate Pension provision in place to meet statutory requirements <a href="https://www.gov.uk/employers-workplace-pensions-rules">https://www.gov.uk/employers-workplace-pensions-rules</a>		LGPS			Tick			
		NEST			Tick				
		Other			Identify				
	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY		
• Opt-Out Evidenced*		Y		N		DD/MM/YYYY			

## Transaction spot check (Sample test transactions such as largest payment, employee salaries, direct debit, S.137, VAT, Councillors payment, etc)

Check number	1	2	3	4	5	6
Ledger date	12/04/2024	24/05/2025	28/05/2024	21/02/2025	20/03/2025	21/03/2025
Item / budget heading	WMS / LALC	Playground maintenance (H&S issue)	Printing	Arborist visit/report	Hire of hall for meetings	Internal Audit LALC
Reference / Cheque number	BACS 12/04/24	BACS 31/05/2024	BACS 31/05/2024	BACS 24/02/2025	BACS 24/03/2025	BACS 24/03/2025
Order minute reference	24046	Delegated to Clerk/Chair - urgent works*	24047	24096	Ongoing contract	24043
Delivery evidence	Y	Y	Y	Y	Y	Y
Payment minute reference	24043	24055	24055	25018	To be ratified 14/05/2025	To be ratified 14/05/2025
Invoice value	£108.00 inc VAT	£346.00 inc VAT	£70.45	£618.00 inc VAT	£84.00	£198.00 inc VAT
Minute value	£108.00	£346.00	£70.45	£618.00 inc VAT	£84.00	£198.00 inc VAT
Payment value	£108.00	£346.00	£70.45	£618.00 inc VAT	£84.00	£198.00 inc VAT
Statement value	n/a	n/a	n/a	n/a	n/a	n/a
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded	Y	Not VAT registered	n/a	Y	n/a	Y
S137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	n/a
S137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes/ recommendations		*Minute needed to ratify action taken by Clerk/Chair				

Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
92	Accounting method correctly applied <ul style="list-style-type: none"> <li>Income and expenditure – <i>mandatory over £200k for 3 years</i></li> <li>Receipts and payments</li> </ul>	Y	Receipts and payments	X		
93	Bank statement opening and closing balances reconcile to cash book / ledger.	Y		X		
94	Robust audit trail evident	Y		X		
95	Debtors and Creditors recorded (I&E accounting method only)		n/a			
96	Asset register updated for current and previous year balances	Y	Website			
97	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 <sup>st</sup> March on DMO website. <i>(TPG5.70)</i> <i>Arrangement fees are treated as administrative expenses in year of receipt.</i>		n/a			
98	Lending <i>-check if any lending has taken place and is accounted for.</i>		n/a			
99	Explanation of Variances completed	Y				
99	Intermediate audit recommendations implemented	Y	Partially, waiting adoption at meeting 14/05/2025			
100	Annual Accounting Statement rounding applied/adds up	Y				
101	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures		n/a			
102	Previous year 'Restatements' correctly identified		n/a			
103	Auditor's recommendations for completion of the Annual Governance Statement <i>(if applicable)</i> and narrative report needed to explain IA Annual Statement's 'No' entries.		n/a			

## Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance		n/a			
A2	Fees charged in accordance with approved rates					
A3	Up to date occupancy details kept and securely retained					
A4	Agreements/licences issued to all plot holders					
A5	Other					

	Burials	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance		n/a			
B2	Fees charged in accordance with approved rates					
B3	All interred ashes have certificates of cremation*					
B4	Permits properly documented and stored*					
B5	Cemetery regulations adopted and up to date					
B6	Registers of burials and purchased graves completed correctly and stored safely*					
B7	Burial certificates issued correctly					
B8	Green slips returned appropriately to Registrar					
B9	Legible cemetery burial plan up to date* • backed up if appropriate					
B10	Business rates exemptions correctly applied					

	Charities	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately		n/a			
C2	Independently audited*					
C3	Returns filed within legal time limits*					

	Buildings and premises	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
<b>Note</b>	<i>Premises licence. Fire checks, electrical checks, First Aid, Insurance valuations, PRS, Water checks, Fire alarms, COSHH, gas inspections, Employer liability and PLI, Fidelity. DEC certificate Use HSE checklist or similar <a href="https://www.hse.gov.uk/voluntary/work-types/village-and-community-halls.htm">https://www.hse.gov.uk/voluntary/work-types/village-and-community-halls.htm</a> Is the ownership/lease title registered with Land Registry?</i>		n/a			
<b>Cb1</b>						
<b>Cb2</b>						
<b>Cb3</b>						

	Markets	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
<b>M1</b>	Income for stall hire balances		n/a			
<b>M2</b>	Fees charged in accordance with approved rates					
<b>M3</b>	Up to date occupancy details kept and securely retained					
<b>M4</b>	Statutory records kept / stored safely					
<b>M5</b>	Agreements/licences issued to all stall holders					
<b>M6</b>	Other					

	Other	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
<b>O1</b>			n/a			
<b>O2</b>						
<b>O3</b>						