Lincolnshire Association of Local Councils

Internal Audit Checklist 2024/25

Name of Parish or Town Council	North Thoresby, Waithe and Grainsby Parish Council			
Parish Council website	https://north-thoresby.parish.lincolnshire.gov.uk/			
Name of internal auditor	Steve Fletcher			
Date of audit	29/08/2025 to 03/09/2025			
Type of audit	Intermediate	✓	Year-end (including AGAR)	✓
Council contact information	**Name**		**Email**	
Clerk	Binal Sawjani		clerk@norththoresby-pc.gov.uk	
RFO* if different	n/a		n/a	
Chairman*	Cllr C Goodwin		cllr.colin.goodwin@norththoresby-pc.gov.uk	

Electorate	950	**Total number of seats**	10
Quorum	4	**Number of seats filled at time of audit**	3
Precept Demand 2024/25	£38,000	**Gross budgeted Income**	£66,734
Date of most recent audit	June 2024	**Gross budgeted Expenditure**	£43,237

	Tested?	**Comments**
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?	**Y**	Previous report and recommendations available on website.
Were the auditor reports and actions been implemented? Have the actions appeared in the minutes? ***(JPAG The Practitioners' Guide para 4.26)***	**Y**	Checked against agendas and minutes – not evident that all actions have been implemented

Key governance review		Tested Y/N	Comments & recommendations	Risk[i]		
				Low	Med	High
1	Standing Orders *(up to date, tailored, reviewed and lawful)*	Y	No longer ‘model’ documents once adopted	✓	✓	
2	Financial Regulations* (up to date, tailored, reviewed and lawful)	Y	Adopted but undated	✓	✓	
3	Terms of reference (committees / working groups) *(Agenda - clear days’ notice, quorum, no individual councillors making decisions)*	Y	n/a	-	-	-
4	Councillors’ Code of Conduct*	Y	Evidenced - website	✓		
5	Complaints procedure* (tailored and reviewed)	Y	Evidenced - website	✓		
6	Insurance Cover • Reviewed annually for levels of cover • Certificate(s) viewed & valid • Employees’ Liability Cover in place and published* • Public Liability Cover • Employees’ Fidelity Guarantee • Councillors’ ages reviewed and recorded (some policies restrict some or all cover over certain ages) • Other e.g. vehicles, assets, equipment, volunteers … • Compare schedule against asset register and ensure adequate insurance is in place for items to be covered.	Y	Evidenced - website	✓		
7	General Power of Competence *(decision compliant with S.1-8 Localism Act 2011 and ‘The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012’).*	Y	n/a	-	-	-
8	Publication scheme reviewed and adopted and published on council website*	Y	Evidenced - website	✓		
9	GDPR policies in place* • Record Retention Schedule • Data Breach Assessment • Process for dealing with a Subject Access Request • Security Compliance Checklist ….	Y	Part – some GDPR policies in place Not evident Not evident Not evident Not evident	✓	 ✓ ✓ ✓ ✓	
10	Arrangement for inspection of public records adequate* (*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).*	Y	Not evident for 2024/25 Extension requested?		✓	✓
11	External audit report published by 30 Sept *(not applicable to councils validly certified as ‘Exempt’.)**	Y	Not evident for 2023/24 – explanation evident on website		✓	

12	Website Accessibility Statement reviewed and published online*	Y	Evidenced - website	✓		

Transparency		**Tested Y/N**	**Comments & recommendations**	**Risk**		
				Low	**Med**	**High**
13	End of year accounts published by 1 July*	Y	Not evident for 2024/25 Extension requested		✓	✓
14	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y	Not evident for 2024/25 Extension requested		✓	✓
15	Documents listed on front page of AGAR form published as specified.	Y	Not evident for 2024/25 Extension requested		✓	✓
16	Agendas and meeting papers published with three clear days' notice for parish / town council meetings*	Y	Evidenced - website	✓		
17	Past 5 years of annual returns available online*	Y	Evidenced - website	✓		
18	Asset register published by 1 July*	Y	Not evidenced		✓	✓
ICO Model Publication Scheme expected requirements:						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Y	Evidenced - website – minutes only	✓		
20	Councillor responsibilities published by 1 July	Y	Not evidenced		✓	✓
21	Draft minutes published within one month of the meeting	Y	Evidenced - website	✓		
Councils over £200K turnover:						
22	Senior officer salaries published*	n/a	-	-	-	-
23	Data on issues important to local people (e.g. projects, parking, grants) *	n/a	-	-	-	-
24	Procurement information over £5,000 published*	n/a	-	-	-	-

	Accounting	Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	Process in place since July 2025.		✓	
26	Arithmetically correct (checks / balance)	Y	Assurance by Clerk / evidenced files.	✓		
27	Evidence of internal control *(compliant with Financial Regulations)*	Y	No evidence during 2024/25. Controls introduced 2025/26.		✓	
28	VAT* • evidence of recording • evidence of reclaiming	Y	No evidence – reclaim to be made before end of 2025.		✓	
29	All payments supported by authorised, minuted invoices	Y	Adequate audit trail evidenced.	✓		
30	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 evidence of s.137 spend during 2024/25.	✓		
31	Payments made in accordance with Financial Regulations • Cheques	Y	Evidenced – files / minutes	✓		
32	If Investments total over £100,000 an Investment Strategy has been adopted and long-term investments for over 12 months, ensure they are recorded in Asset Register.	Y	No investments over £100,000	-	-	-

	Budget	Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y	Not evidenced – minutes unclear		✓	✓
34	Precept demand properly minuted*	Y	Not evidenced – minutes unclear		✓	✓
35	Earmarked reserves reviewed	Y	Not evidenced		✓	✓
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y	Not evidenced		✓	✓

Income control		Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y	Evidenced since July 2025 only		✓	
38	Precept income received in bank account	Y	Evidenced bank statement	✓		
39	Effective security of cash and cash transactions	Y	No cash transactions evident during 2024/25	✓		
40	Effective security of card transactions	Y	No cash transactions evident during 2024/25	✓		

Bank reconciliation		Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
41	Regular bank statement reconciliation and signed off by members	Y	No evidence of process		✓	✓
42	Balancing entries (adjustments) explained	Y	No evidence of adjustments during 2024/25	-	-	-
43	Bank mandate up to date • Evidence of signatories	Y	Mentioned in minutes but not evidenced		✓	

Petty cash		Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised	Y	No petty cash account held or used during 2024/25	-	-	-
45	Petty cash spending supported by VAT receipt(s)	n/a	n/a	-	-	-
46	Petty cash reported to Council	n/a	n/a	-	-	-
47	Petty cash float reconciled/reimbursed	n/a	n/a	-	-	-

Asset control		Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Register of assets* • Exists • Reviewed and up to date • Published	Y	Evidenced - updated July 2025	✓	✓	
49	Assets inspected and Health & Safety issues considered* • Play equipment • Street furniture • Fire safety • Defibrillators	Y	Evidenced 2024/25 Inspection booked for 2025/26	✓		

Risk management		Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
50	Risk Register / Management scheme in place	Y	Not evidenced		✓	✓
51	Annual risk assessment undertaken as a minimum	Y	Not evidenced		✓	✓
52	Financial controls and procedures documented	Y	Not evidenced 2024/25. Process to be adopted 2025/26		✓	✓
53	Regular financial reporting to Council in line with Financial Regulations	Y	Not evidenced 2024/25. Process adopted August 2025		✓	
54	Reporting of bank balances minuted	Y	Not evidenced 2024/25. Process adopted August 2025		✓	
55	Grants ratified and minuted according to policy	Y	Evidenced - minutes	✓		
56	Evidence of unusual activity from minutes	Y	Standing Orders and Financial Regulation not adhered to during 2024/25 – Members made aware and proper practices adopted since July 2025.		✓	✓

	General	Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
57	Back up of files adequate	Y	Files backed up from July 2025. Missing documents from 2024/25 – police aware		✓	✓
58	Storage of files (paper and electronic) adequate	Y	Storage of files adequate since July 2025		✓	✓
	Qualified Clerk • CiLCA 2015 or later / Level 4 Community Governance	n/a	-	-	-	-
59	Local Council Award Scheme applicable? • Foundation / Quality / Quality Gold	n/a	-	-	-	-

	Proper Process / Practice	Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
60	Right to work checks for employees completed https://www.gov.uk/check-job-applicant-right-to-work	Y	Checks carried out when appointing temporary clerk (July 2025).	✓		
61	Employee posts properly approved/ recorded/ correct job descriptions in place for each post holder and amendments are confirmed by letter. • Proper Officer (Acting Clerk & RFO) • Site staff (Village Hall Caretaker)	Y	Evidenced - files	✓		
62	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients	Y	Not applicable	-	-	-
63	List of Members' interests* • displayed on council website /link to District Council • reviewed regularly • Interests declared in meetings and members follow Standing Orders and leave the room • Dispensations approved as set out in Standing Orders and minuted.	Y	Evidenced - website	✓		
64	Declarations of acceptance of office* • Councillors • Chair	Y	Evidenced - minutes	✓		
65	Co-options approved by council by a vote and according to policy	Y	None during 2024/25	-	-	-

66	Agenda documents lawful and published	Y	Evidenced - website	✓		
67	Minutes lawful and published / hard copy signed*	Y	Evidenced - files	✓		
68	Confidential items correctly used and decisions minuted	Y	None evidenced during 2024/25	-	-	-
69	Council-owned email address account in place	Y	Evidenced - website	✓		
70	Purchase order system used/correct	Y	None used – email or verbal ordering (recognised practice)	✓		
71	Purchasing authorised in line with Financial regs / limits	Y	Evidenced - website	✓		
72	Council operating within legal powers* Best practice to include legal power in resolutions of council.	Y	Evidenced - website	✓		
73	Delegation to officers or committees • Scheme of delegation lawful (an individual councillor does not have decision-making powers) • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately	Y	Not enough elected members to have committees. Delegation to officer (since July 2025) via contract of employment	✓		

Payroll & HR		**Tested Y/N**	**Comments & recommendations**	**Risk**		
				Low	**Med**	**High**
74	Written statement of particulars for all staff from day one (April 2020 onwards) https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars and amendments to contracts confirmed in writing*	Y	Evidenced – files (since July 2025)	✓	✓	
75	Proper procedures for payroll, PAYE & NI*	Y	External payroll company used	✓		
76	Is payroll inhouse or external provider used?	Y	In-house - External ✓	**Low**	**Med**	**High**
77	PAYE & NI payments verified	Y	Evidenced - files	✓		
78	Employers Allowance is not being claimed	Y	No evidence	✓		

79	Approval of salaries and increments minuted	Y	No increments during 2024/25		-	-	-
80	Approval of expense claims	Y	None claimed during 2024/25		-	-	-
81	Minimum wage threshold met	Y	Evidenced – Contract of employment		✓		
82	HR procedures and policies adopted / reviewed	Y	Not evidenced 2024/25.			✓	✓
83	Training policy and record staff /elected Members	Y	Not evidenced 2024/25.			✓	✓
84	Probation review completed for new staff within probation period.	Y	Interim position since xxx 2025 – review set for October 2025.		✓		
85	Annual appraisals undertaken	Y	Not evident during 2024/25 – planned for 2025/26		✓		
86	Job description up to date / reviewed	Y	Yes. Updated during 2025		✓		
87	Health and safety of staff workstation & PC equipment undertaken * • [Display Screen Equipment]()	Y	Not undertaken during 2024/25			✓	✓
88	Adequate Pension provision in place	Y	LGPS	No evidence		✓	✓
			NEST	No evidence			
			Other	No evidence			
	• Automatic Enrolment for Staff*	Y	**Y** - **N** ✓	No evidence		✓	✓
	• Opt Out Evidenced*	Y	**Y** - **N** ✓	No evidence		✓	✓
	• Declaration of Compliance*	Y	**Y** - **N** ✓	No evidence		✓	✓
	• Redeclaration of Compliance	Y	**Y** - **N** ✓	No evidence		✓	✓

	Year End Process	Tested Y/N	Comments & recommendations	Risk		
				Low	Med	High
89	Accounting method correctly applied • Receipts and payments	Y	Evidenced - files	✓	✓	
90	Bank statement opening and closing balances reconcile to cash book / ledger.	Y	Evidenced - files	✓		
91	Robust audit trail evident	Y	Evidenced – balances agree at YE 2024/25. Robust trail since July 2025	✓	✓	
92	Debtors and Creditors recorded	Y	Evidenced - files	✓		
93	Asset register updated for current and previous year balances	Y	Evidenced website – updated 2025/26	✓	✓	
94	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31st March on DMO website. *Arrangement fees are treated as administrative expenses in year of receipt.*	Y	No borrowing evident	✓		
95	Explanation of Variances completed	Y	Evident – files / AGAR	✓		
96	Intermediate audit recommendations implemented	Y	No intermediate audit undertaken during 2024/25	-	-	-
97	Annual Accounting Statement rounding applied/adds up	Y	Evident – AGAR	✓		
98	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures	Y	No trust funds evident	-	-	-
99	Previous year 'Restatements' correctly identified	Y	No restatements made between 2023/24 and 2024/25	-	-	-
100	Auditor's recommendations for completion of the Annual Governance Statement *(if applicable)* and narrative report needed to explain IA Annual Statement's 'No' entries.	Y	Internal auditor report and explanations to 'No' answers completed and sent to the Clerk / council	✓		

Appendix: Additional Areas for Audit (Council Specific)

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

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

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

	Community buildings	Tested Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1	Village Hall	N	Full review to be undertaken during interim audit 2025/26	✓	✓	

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

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Endnotes

High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.

[i] **High risk** – these items should be dealt with as a **high priority** because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners' Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution or legal action.

Medium risk – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners' Guide, and to improve procedures that should be in place.

Low risk – these items are usually **best practice** to improve governance, internal control, transparency, efficiency and effectiveness.

*-Asterisked items are statutory requirements and should be in place where applicable.