



Lincolnshire Association of Local Councils

Internal Audit Checklist 2024/25

Name of Parish or Town Council	Hundleby Parish Council		
Parish Council website	https://hundleby.parish.lincolnshire.gov.uk		
Name of internal auditor	Lynda Phillips		
Date of audit	15/06/2025		
Type of audit	Intermediate		Year-end (including AGAR)
Council contact information	Name	Email	
Clerk	Vacant	clerk.hundleby.pc@gmail.com	
RFO* if different	Vacant	clerk.hundleby.pc@gmail.com	
Chairman*	Cllr Lynette Corten-Miller		
Electorate	367	Total number of seats	7
Quorum	3	Number of seats filled at time of audit	7
Precept Demand 2024/25	£7,500	Gross budgeted Income	£2,550
Date of most recent audit	13/05/2024	Gross budgeted Expenditure	£9,066
	Tested?	Comments	
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?	Y	Recommendations not clearly given.	
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (JPAG The Practitioners' Guide para 4.26)	Y	No.	

Key governance review		Tested?	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders <i>(up to date, tailored, reviewed and lawful)</i>	Y	Last reviewed 13/05/2024. Document not updated on website and latest model template not being used. This requires rectification.	X		
2	Financial Regulations* <i>(up to date (at least 2019 or 2024 version), tailored, reviewed and lawful)</i>	Y	Last reviewed 13/05/2024, document not updated on website. Latest model template not being used. This requires rectification. <i>Agenda</i> for Annual Parish Council Meeting dated 13/05/2024, meeting <i>minutes</i> dated 08/04/2024.	X		
3	Terms of reference (committees / working groups) <i>(Agenda - clear days' notice, quorum, no individual councillors making decisions)</i>	Y	Finance, Parish Rooms and Human Resources all reviewed May 2024	X		
4	Councillors' Code of Conduct*	Y	Last reviewed 13/05/2024	X		
5	Complaints procedure* (tailored and reviewed)	N	Annual review overdue. Website shows last review was 03/07/2023. Requires review annually. Recommend template.	X		
6	Insurance Cover <ul style="list-style-type: none"> • Reviewed annually for levels of cover <ul style="list-style-type: none"> • Certificate(s) viewed & valid • Employees' Liability Cover in place and published* <ul style="list-style-type: none"> • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded (some policies restrict some or all cover over certain ages) <ul style="list-style-type: none"> • Other e.g. vehicles, assets, equipment, volunteers ... • Compare schedule against asset register and ensure adequate insurance is in place for items to be covered. • Public liability insurance must match the PLI for any delegated services, assets (£10million) • Any insurance claims during the previous 12 months which may affect the policy and valuations and cover. 	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/23/insurance-document?downloadID=23	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"> • <i>Date and minute reference GPOC adopted</i> • <i>Qualified Clerk? (CiLCA 2015 or later or Level 4 Community Governance or higher qualifications seen</i> 	Y	No resolution made in May 2023. Loss of two clerks.	X		

	<ul style="list-style-type: none"> Two-thirds elected councillors at the time of adoption during the current cycle. 					
8	Publication scheme (based on the ICO model template) (up to date, tailored, reviewed and lawful) and published on the council website*	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/file/127/publication-policy Requires updating and cross referencing to website. Requires review annually.	X		
9	GDPR policies in place* <ul style="list-style-type: none"> Record Retention Schedule Data Breach Assessment Process for dealing with a Subject Access Request Security Compliance Checklist 	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/22/general-data-protection-regulations?downloadID=22 Website shows that some policies are in place but if others (as noted to left) are in place they are not shown online.	X		
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	Council resolved to start on 10/06/2024 but actually started on 13/06/2024. This was apparently the Clerk's mistake and while the noticeboard was corrected the website was not. Council must check that this is done correctly. https://hundleby.parish.lincolnshire.gov.uk/downloads/file/353/june-2024-meeting-minutes	X		
11	External audit report published by 30 Sept (not applicable to councils validly certified as 'Exempt'.)*	Y	Exempt	X		
12	Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	Y	Last reviewed 04/01/2023 https://hundleby.parish.lincolnshire.gov.uk/accessibility	X		

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/file/346/signed-agar-form-2023-24	X		
14	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y	Exemption correctly claimed https://hundleby.parish.lincolnshire.gov.uk/downloads/file/346/signed-agar-form-2023-24	X		
15	Documents listed on front page of AGAR form published as specified.	Y	Analysis of variances 23/24 not available Bank reconciliation 23/24 not available https://hundleby.parish.lincolnshire.gov.uk/downloads/download/19/audit-2921?downloadID=19		X	
16	Agendas and meeting papers published with three clear days' notice for parish/town council meetings*	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/file/352/meeting-dates-for-2024-25	X		

17	Past 5 years of annual returns available online*	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/19/audit-2921?downloadID=19	X		
18	Asset register published by 1 July*	Y	Most recent register available dated 31/03/2023. The asset register should be reviewed, approved and published on the Council's website annually. https://hundleby.parish.lincolnshire.gov.uk/downloads/download/21/asset-register?downloadID=21	X		
ICO Model Publication Scheme expected requirements:						
19	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/34/payments-and-receipts	X		
20	Councillor responsibilities published by 1 July	Y	https://hundleby.parish.lincolnshire.gov.uk/council-business	X		
21	Draft minutes published within one month of the meeting	Y		X		
Councils over £200K turnover:						
22	Senior officer salaries published*	N/A		X		
23	Data on issues important to local people (eg. subsidised trade union activity, projects, parking, grants)*	N/A		X		
24	Procurement information over £5,000 published*	N/A		X		

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	Scribe used, evidenced on website	X		
26	Arithmetically correct (checks / balance)	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/34/payments-and-receipts	X		
27	Evidence of internal control (compliant with Financial Regulations)	Y	https://hundleby.parish.lincolnshire.gov.uk/downloads/download/28/risk-management-document?downloadID=28 Yes, but no documents up to date on the website. These should be reviewed, approved and published annually	X		
28	VAT* • evidence of recording • evidence of reclaiming	Y		X		
29	All payments supported by authorised, minuted invoices	Y		X		
30	s.137* (last resort power for non-GPC councils) • Recorded separately within accounts	N				

	<ul style="list-style-type: none"> • Within legal threshold limits for the current year • Spend in accordance with legislation 					
31	Payments made in accordance with Financial Regulations <ul style="list-style-type: none"> • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments 	Y	Online payments only and receipts also mostly online, only one receipt in year paid in personally at bank.	X		
32	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	Investments under £100,000	X		

Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y	24/25 Budget approved by Council on 4/12/23	X		
34	Precept demand properly minuted*	Y	Minutes of 4/12/23 document but more detail is needed.	X		
35	Earmarked reserves reviewed	Y	June 2024 account balances noted but these do not match those on the bank statements supplied!		X	
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y	Agenda and Minutes refer to approval of bank balances, reconciliations and quarterly reports but what these comprise of is not clear as they are not published and no detail appears in the minutes. This needs rectifying.		X	

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y	Mostly received via online banking. Only one instance in year of monies paid in personally at bank.	X		
38	Precept income received in bank account	Y	One instalment of £7,500 received in April	X		

39	Effective security of cash and cash transactions	Y	Previous internal auditor recommended a Cash Handling Policy, this does not appear to have been implemented	X		
40	Effective security of card transactions	Y	Cards not held	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	Agenda and minutes refer to approval of bank balances, reconciliation and quarterly reports but not clear what these consist of as not published and no figures published in minutes. Copies of reports were requested but these were not received before Friday 27/6. This needs rectifying.		X	
42	Balancing entries (adjustments) explained	N				
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	Y	Changes to signatories made in Dec 23. Signatories should be reviewed annually. This needs rectifying.	X		

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

Asset control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
48	Register of assets* <ul style="list-style-type: none"> • Exists • Reviewed and up to date • Published 	Y	Most recent register available dated 31/03/2023. The asset register should be reviewed, approved and published annually. https://hundleby.parish.lincolnshire.gov.uk/downloads/download/21/asset-register?downloadID=21	X		
49	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture 	Y	2024 Asset Inspection Record not available on website. Clerk confirms that assets are subject to checks.	X		

	<ul style="list-style-type: none"> • Fire safety • Defibrillators • Other 					
51	Land and property registered with HM Land Registry. https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property	N				
Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	Y	https://hundleby.pariah.lincolnshire.gov.uk/downloads/file/234/risk-management-document-2023-24 Not reviewed since 2023. This should be reviewed, approved and published annually. This needs rectifying.		X	
53	Annual risk assessment undertaken as a minimum	Y	https://hundleby.pariah.lincolnshire.gov.uk/downloads/file/242/risk-assessment-2023-24 This should be reviewed, approved and published annually. This needs rectifying.		X	
54	Financial controls and procedures documented	Y		X		
55	Regular financial reporting to Council in line with Financial Regulations	Y	Agenda and Minutes refer to reports but no details are noted and reports are not available on the website. This needs rectifying.		X	
56	Grants ratified and minuted according to policy	N/A				
57	Evidence of unusual activity from minutes	Y	No.	X		
General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	Y	Files are stored on Council Laptop and Scribe is backed up to the Cloud. Best practice suggests that all data should be stored in 3 different places. Consider storing all data on laptop and backing all data up to the cloud and an external hard drive.	X		
59	Storage of files (paper and electronic) adequate	Y	Paper files are stored at the Parish Rooms in plastic boxes in a lockable cabinet. Consider purchase of fire proof cabinet.	X		
60	Local Council Award Scheme applicable? <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N/A				

61	Registered with Information Commissioner's Office (if relevant)	Y	Evidenced on 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"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff/ Grounds workers • Other 	Y	Not entirely clear from website. It was noted that it had been a difficult year for the Council losing staff and coping in between times etc. Clerk provided copy of job description for the Clerk.	X		
63	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients	N/A		X		
64	Right to work checks for employees completed https://www.gov.uk/check-job-applicant-right-to-work	N/A				
65	List of Members' interests* <ul style="list-style-type: none"> • displayed on council website /link to District Council • reviewed regularly (<i>Members have a statutory requirement to complete and report changes within 28 days of change</i>) • Interests declared in meetings and members follow Standing Orders and Code of Conduct • Dispensations approved as set out in Standing Orders and minuted. 	Y	Available via link to ELDC	X		
66	Declarations of Acceptance of Office* <ul style="list-style-type: none"> • Councillor (after election/ co-option) • Chair (at least annually) 	Y	https://hundleby.pariah.lincolnshire.gov.uk/downloads/file/192/councillor-vacancy-policy	X		
67	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	N				
68	Agenda documents lawful and published*	Y		X		
69	Minutes lawful and published/ hard copy signed*	Y		X		

	<ul style="list-style-type: none"> - 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. 					
70	Confidential items correctly used and resolutions minuted and published <i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i>	Y	Not correctly minuted. Time, Proposer and Secunder and reason for going into closed should be noted. On one occasion it was noted that an item was to be dealt with in closed session but there was no other reference to it.	X		
71	Council-owned email address account in place <i>TPG 1.26</i>	Y	Council to note that a .gov account will be required in 2025/26.	X		
72	Purchase order system used/correct	N/A				
73	Purchasing authorised in line with Financial Regulations / limits	Y		X		
74	Council operating within legal powers* Best practice to include legal power in resolutions of council.	Y		X		
75	Delegation to officers or committees <ul style="list-style-type: none"> • 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	It was noted that an invoice was made out to a Cllr, paid by that Cllr. and then a payment to reimburse the Cllr. was made using the invoice as evidence. Council should be careful not to allow this to happen. Cllrs. do not have decision making powers.	X		

Payroll & HR		Tested?	Comments & recommendations	Risk		
				Low	Med	High
76	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-	N	Noted it had been a difficult year for the Council losing staff and coping in between times.			

	particulars and amendments to contracts confirmed in writing*							
77	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	Y					X	
78	Is payroll inhouse or external provider used?	Y	In-house	Y	External		X	
79	PAYE & NI payments spot checked - calculations	N						
80	Employers Allowance – Councils are not eligible – payroll system checked.	N						
81	Approval of salaries and increments minuted	Y					X	
82	Approval of expense claims	Y					X	
83	Minimum wage threshold met	Y					X	
84	HR procedures and policies adopted / reviewed	Y					X	
85	Training policy and record staff /elected Members	N						
86	Probation review completed for new staff within probation period.	N						
87	Annual appraisals undertaken	N						
88	Job description up to date / reviewed	Y					X	
89	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> Display Screen Equipment 	N						
90	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	Y	Information requested. Not supplied by Friday 27/6				X	
91	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	Y	LGPS	Information requested. Not supplied by Friday 27/6			X	
			NEST					
			Other					
	<ul style="list-style-type: none"> Automatic Enrolment for Staff* 	Y	Y		N		As Above	X

	• Opt-Out Evidenced*	Y	Y		N		As Above			
--	----------------------	---	---	--	---	--	----------	--	--	--

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	March 25	March 25	July 24	February 25	January 25	March 25
Item / budget heading	90	84	27	77	69	91
Reference / Cheque number	-	-	-	-	-	-
Invoice value	46.37	50.00	85.00	172.04	113.79	36.00
Statement value	46.37	50.00	85.00	172.04	113.79	36.00
Timely payment	26/3	11/3	1/7	28/2	21/1	17/3
VAT recorded	Y 7.73	Y 8.33	Y 0	Y 0	N 18.97 not 5.42	Y 0
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			Invoice addressed to Cllr not council, this is not permissible	Approval min 343, Feb 25		Approval min 184, May 24

Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
92	Accounting method correctly applied <ul style="list-style-type: none"> Income and expenditure – mandatory over £200k for 3 years Receipts and payments 	Y	Receipts and Payments	X		
93	Bank statement opening and closing balances reconcile to cash book / ledger.	Y	Bank position document noted by Council in June 2024 does not match current account bank balance on statements supplied. Names of accounts also do not match statements supplied. Balances brought forward figure (Box 1 for 24/25 does not match Box 7 for 23/24). Section 1 and Section 2 of the 24/25 AGAR approved and signed by Council without seeing internal auditor's report. This does not meet JPAG requirements. The figures entered on the Accounting Statements 2024/25 for the year ending 31 st March 2024 in boxes 4 and 6, which should have been copied directly from the 23/24 AGAR do not match those published on the website.		X	
94	Robust audit trail evident	Y	Needs improvement. While authorisation of payments are minuted there is no detail in agenda, minutes or on website about what payments have been approved, this requires amendment.		X	
95	Debtors and Creditors recorded (I&E accounting method only)	N/A				
96	Asset register updated for current and previous year balances	Y	Asset register not reviewed in 24/25. This should be reviewed, approved and published annually.		X	
97	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 st March on DMO website. (TPG5.70) <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	23/24 document cannot be found.		X	

99	Intermediate audit recommendations implemented	N/A				
100	Annual Accounting Statement rounding applied/adds up	Y		X		
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.					

Appendix: Additional Areas for Audit (Council Specific)

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

	Burials	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	N/A				
B2	Fees charged in accordance with approved rates	N/A				
B3	All interred ashes have certificates of cremation*	N/A				
B4	Permits properly documented and stored*	N/A				
B5	Cemetery regulations adopted and up to date	N/A				
B6	Registers of burials and purchased graves completed correctly and stored safely*	N/A				
B7	Burial certificates issued correctly	N/A				
B8	Green slips returned appropriately to Registrar	N/A				
B9	Legible cemetery burial plan up to date* <ul style="list-style-type: none"> backed up if appropriate 	N/A				
B10	Business rates exemptions correctly applied	N/A				

	Charities	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately	N/A				
C2	Independently audited*	N/A				

C3	Returns filed within legal time limits*	N/A			
-----------	---	-----	--	--	--

	Buildings and premises	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
Note	<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 https://www.hse.gov.uk/voluntary/work-types/village-and-community-halls.htm Is the ownership /lease title registered with Land Registry?</i>	Y		X		
Cb1						
Cb2						
Cb3						

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

	Other	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
O1						
O2						
O3						

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.