Lincolnshire Association of Local Councils

Internal Audit Checklist 2025/26

Name of Parish or Town Council	Hundleby Parish Council			
Parish Council website	Homepage – Hundleby Parish Council			
Name of internal auditor	**Kathleen Roberts**			
Date of audit	**26th May 2026**			
Type of audit	Intermediate		Year-end (including AGAR)	✓
Council contact information	**Name**		**Email**	
Clerk	Yvonne Smith		clerk@hundlebyparishcouncil.gov.uk	
RFO*if different				
Chairman*	Cllr Lynette Corten-Miller		cllrcortenmiller.hundleby.pc@gmail.com	

Electorate	430	**Total number of seats**	8
Quorum	4	**Number of seats filled at time of audit**	7
Precept Demand 2025/26	10,350	**Gross budgeted Income**	9,750
Date of most recent audit	21/04/2025	**Gross budgeted Expenditure**	11,170

	Tested?	**Comments**
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?	**Y**	Council had seen a quick turnaround in clerks over the past few years for various reasons. Updating policies and keeping the website current with all transparency requirements A difficult couple of years to pick up from – however this is being achieved.
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? *(SAPPP The Practitioners Guide para 5.99)*	**Y**	A full report on has been minuted and published with regard to the items noted on the previous internal auditors recommendations. All found to be in order.

Key governance review		Tested?	Comments & recommendations	Risk[i]		
				Low	Med	High
1	Standing Orders**(up to date 2025 version, tailored, reviewed and lawful)*	√	May 2026			
2	Financial Regulations* (up to date 2025 version, tailored,reviewed and lawful)	√	May 11 2026			
3	Terms of reference (committees / working groups) *(should contain - clear days' notice, quorum, delegated power or advisory,lawful, no individual councillors making decisions.)*	√	All committees up to dated website - 11-05 – 26 minutes			
4	Councillors' Code of Conduct* *(s.27 Localism Act 2011)*	√	Reviewed May 2025 Reviewed June 1st 2026	√		
5	Complaints procedure* (tailored and reviewed)	√	Reviewed July 2025			
6	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').* • *Date and minute reference GPOC adopted* • *Qualified Clerk (CiLCA 2015 or later or Level 4 Community Governance or higher qualifications seen)* • *Two-thirds elected councillors at the time of adoption during the current cycle.*	N/A				
7	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).*	√	No issues			
8	External audit report published by 30 Sept on the council website *(not applicable to councils validly certified as 'Exempt'.)*(TPG para5.81- 5.84 also see guidance notes on front of applicable AGAR form)*	√	Yes			

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
9	End of year accounts published by 1 July*	√				
10	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	√				
11	Documents listed on front page of AGAR form published as specified.	√				
12	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	√				
13	Past 5 years of annual returns available online*	√				
14	Asset register published by 1 July*	√	**Updated April 2025**			
ICO Model Publication Scheme expected requirements:						
15	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	√	**Income and expenditure list needs linking to the minutes please for ease**	√		
16	Councillor responsibilities published by 1 July	√				
17	Draft minutes published within one month of the meeting	√				
Councils over £200K turnover:						
18	Senior officer salaries published*					
19	Data on issues important to local people *(eg.subsidised trade union activity, projects, parking, grants)**					
20	Contract/ procurement information over £5,000 published*					

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
21	Cashbook or the accounting system maintained and up to date	√	Good – accounting system used Scribe			
22	Arithmetically correct (checks / balance)	√				
23	Evidence of internal control *(compliant with Standing Orders and Financial Regulations and TPG 1.14-1.21)*	√				
24	VAT* • evidence of recording • evidence of reclaiming	√ √				
25	All payments supported by authorised, minuted decisions and invoices	√				
26	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	√	section 137 recorded or shown in cash book records (line required even if none recorded)	√		
27	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Standing Orders • Credit or debit cards • Other payments	√	Banking details requested Evidence produced link to Financial regs	√		
28	If Investments/ funds/ cash/total over £100,000an Investment Strategy MUST have been adoptedand ensure long-term investments for 12+ months are recorded in the Asset and Long-term Investment Register and the purchase/investment and receipts/sales are accounted for as set out in the TPG. (*TPG 2.26-2.29, Section 4 Item H&5.17, 5.29-30, 5.174-5.177, 5.185-5.190).* An Investment Strategy is recommended for sums held below £100,000	N/A				

	Budget	Tested?	Comments & recommendations	Risk		
				Low	Med	High
29	Annual budget income and expenditure amounts in support of precept approved by full council and minuted*(TPG 1.8, Section 4 Table D, 5.25-5.28)	√				
30	Precept amount properly minuted by full council* (TPG Section 4 Table item D)	√				
31	General and earmarked reserves reviewed and sufficient *(TPG 1.13, 2.10-11, 4.21 Table D, 5.31-5.39, 5.208)*	√	Updated			
32	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget are explained.	√	reported to council monthly			

	Income control	Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Income properly recorded and banked promptly	√				
34	Precept income received in bank account.	√				
35	Scale of fees reviewed regularly, and fees and charges accurately applied.		N/A			
36	Aged debt analysis maintained and appropriate recovery procedures in place to recover arrears/ debts (TPG 5.46-5.48)		N/A			
37	VAT applied accurately to transactions and accounted for.(TPG Section 4 Table Item E)	√				
38	Effective security of cash and receiving cash from transactions		N/A			
39	Effective security of card receipts transactions	√	Would recommend a debit card for clerk is considered to allow payments via clerk			

	Bank reconciliation	Tested?	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank balances minuted and bank statement reconciliation and signed off by members and minuted.(TPG 1.10, 2.25)	√	Quarterly			
41	Balancing entries (adjustments) explained					
42	Bank mandate up-to-date -Evidence of signatories being reviewed and minuted -Sufficient signatories to enable banking business to be continuously available without delays. (TPG 1.15.5)	√	Please provide info on up to date signatories Recommend a to link bank reconciliations with the minutes or record as part of meeting / not clear to follow/find on website – Action being taken	√	√	

	Petty cash	Tested?	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised		N/A			
44	Petty cash spending supported by VAT receipt(s)					
45	Petty cash reported to Council					
46	Petty cash float reconciled/reimbursed					

	Asset control	Tested?	Comments & recommendations	Risk		
				Low	Med	High
47	Register of assets and long-term investments* • Exists • Up to date and complete • Published • Review (at least annually) has been minuted (TPGSection 4 Table item H, 5.57-5.70)	√	Reviewed annually Restated 2026	√		
48	Any loans to organisations, groups and other parties accurately recorded in the register.		N/A			
49	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		I have not tested nor checked if any land is owned/ registered by the Council			

50	Any loans/borrowing has been properly obtained with authority from Debt Management Office and accurately accounted for (TPG Section 4 Table item H, 5.70)					

Risk management		**Tested?**	**Comments & recommendations**	**Risk**		
				Low	**Med**	**High**
51	Risk Register / Management scheme in place and reviewed annually and minuted (TPG 1.31-1.33, Section 4 Table Item C)	√	Reviewed 2025			
52	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. • 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 and has the Risk Register been updated to mitigate the risk of re-occurrence? (TPG Section 4 Table Item C)	√	Policy scope not checked by internal audit Minuted as reviewed annually		√	
53	Internal Controls outlined in Financial Regulations and Standing Orders are being followed and effective? (TPG Section 4 Table Item C)	√		√		
54	Assets inspected and Health & Safety issues considered* • Play equipment • Street furniture • Fire safety • Defibrillators • Other	Not audited				
55	Grants ratified and minuted according to policy	√				
56	Health and Safety Policy in place where there are 5+ persons working (count councillors, officers, contractors, volunteers) (S 3, Health and Safety at Work Act 1974 and HSE)	√				

57	Evidence of unusual activity from minutes					
58	Back up of files adequate	√				
59	Storage of files (paper and electronic) adequate	√				

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
60	Local Council Award Scheme applicable? • Foundation • Quality • Quality Gold Would this Council be a suitable candidate if they have not achieved the Award Scheme before now?		N/A			

Proper Process / Practice		Tested?	Comments & recommendations	Risk		
				Low	Med	High
61	List of Members' interests* • displayed on council website /link to District Council • reviewed regularly*(Members have a statutory requirement to complete and report changes within 28 days of change)* • Interests declared in meetings and members follow Standing Orders and Code of Conduct • Dispensations approved as set out in Standing Orders and minuted.	√	Reminder to councillors to be minuted for these to be checked and updated as required at least annually.			
62	Declarations of Acceptance of Office* • Councillor (after election/ co-option) • Chair (at least annually)	√				
63	Co-options(after eligibility and disqualification checks) approved by council by a vote, minutedand according to policy	√	This is covered in the councils code of conduct Recommended title to include Co-option	√		
64	Agenda documents lawful and published*	√				
65	Minutes lawfuland 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 and the applicable legal power included.*					
66	Confidential items correctly used and resolutions minuted and published *Public Bodies (Admission to Meetings) Act 1960 S.1(2)*	√	All recorded	√		
67	Purchase order system used/correct					
68	Purchasing authorised in line with Financial Regulations / Standing Orders limits and the Procurement Act 2023 and Procurement Regulations 2024 requirements - Choice of procurement method correct for the procurement - For £30,000+(inc VAT) contracts published on 'Find a Tender' - For £5,000 - £29,999 recommended to publish on 'Find aTender' - Contract decisions issued and published - 30-day payment terms apply to all contracts - Publish 6-monthly performance to pay within 30-days	√				
69	Delegation to officers or committees • Lawful delegation (to an officer, committee or joint committee but anindividual 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	√	Terms of reference all up to date.		√	
70	Annual publication of Members Allowances, Subsistence and Travel expenses paid in the financial year within 14 days of 31st March where practicable. (Local Authorities (Members' Allowances) (England) Regulations 2003 regulation 31)		None paid			

71	Any Members' Basic Allowances are paid in accordance with the District/Borough Council-approved rates for that Parish/ Town Council and the HMRC PAYE rules applied to Members Allowances before payment. Any subsistence and travel allowances paid are in accordance with the Parish/Town Council's own adopted policies.		None paid			

Payroll & HR		**Tested?**	**Comments & recommendations**	**Risk**		
				Low	**Med**	**High**
72	Employee posts properly approved/ recorded/ correct job descriptions in place for each post holder and amendments are confirmed by letter. • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff/ Grounds workers • Other	√	One employee no comments			
73	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients	N/A				
74	Right to work checks for employees completed and on filehttps://www.gov.uk/check-job-applicant-right-to-work	√				
75	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 and minuted*	√	Pay/ hours increases recorded in minutes		√	
76	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	√				
77	Is payroll inhouse or external provider used?	√	In-house √			

							External			
78	PAYE & NI payments spot checked - calculations	√								
79	Employers Allowance – Councils are not eligible – payroll system checked.	√	**Not claimed**							
80	Approval of salaries, annual inflationary increases and increments minuted	√	Pay increases minuted							
81	Approval of expense claims	√								
82	Minimum wage threshold met	√								
83	HR procedures and policies adopted / reviewed							√		
84	Training policy and record staff /elected Members	√	Staff only					√		
85	Probation review completed for new staff within probation period.		N/A							
86	Annual appraisals undertaken		Need first one in 2026/27					√		
87	Job description up to date / reviewed									
88	Health and safety of staff workstation & PC equipment undertaken * • [Display Screen Equipment](https://)	√	H.S policy or documentation available, last review 2023 – update as agenda item					√		
89	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	√	N/A registration up to date							
90	Adequate Pension provision in placeto meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	N/A	LGPS				Tick			
			NEST				Tick			
			Other				Identify			
	• Automatic Enrolment for Staff*		**Y**		**N**	√	DD/MM/YYYY			
	• Opt-Out Evidenced*	●	**Y**		**N**		DD/MM/YYYY			

	Information and datacompliance	Tested?	Comments & recommendations	Risk		
				Low	Med	High
91	Registered with Information Commissioner's Office *(if relevant)*	Y				
92	Council-owned email address account in place (either .gov.uk or .org.uk format) *(TPG 1.47)*	√	Recommend all members gov.uk emails are on website	√		
93	Website Accessibility Statement reviewed and published online*https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	Y	Last checked 2023 Needs attention.			
94	GDPR/ Data Protection Act policies and procedures in place* • Record Retention Schedule • Data Breach Assessment • Privacy Policy • Process for dealing with a Subject Access Request • Security Compliance Checklist ….	Y	All present on website			
95	Publication scheme (ICO model template adopted) *(up to date, tailored, reviewed and lawful)*and published on the council website.*(Modifications from the ICO template must have had ICO approval.)*(Ss19-20 FOIA 2000)* Has the Council complied with publishing the information specified in its Publication scheme?	Y	Needs updating with clerks details including email , name and address	√		
96	Compliant with the relevant Transparency Code (if applicable)?	Y				
97	IT Policy adopted	**Y**	On Agenda June 2026	√		

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

Check number	1 Large transaction	2 Payment to Cllr	3 Direct debit	4 Sec 137	5 salary	6
Ledger date	26/02/26	N/A	23/09/2025	06/11/25	27/02/26	
Item / budget heading	113		Voucher 54		116	
Reference / Cheque number	Parish Rooms		ICO	Remembrance	Clerk salary	
Was purchase approved prior to ordering? Order minute reference	Yes		September 2022 Ongoing DD	Nov 2025	March 2026	
Any evidence the purchase was delivered? Delivery evidence	Goods arrived		Certificate received	Item received	Bank statement seen	
When was the payment approved? Payment minute reference	26/02/26		Oct meeting 2025	Nov 2025	March 2026	
Is the bill the same as ordered?Invoice value	y		Yes	y	Y	
Is the payment approval minuted?Minute value	y		Yes	Y	Y	
Is the payment approved matching?Payment value	y		Yes	Y	Y	
Does the bank statement value match amount approved?Statement value	y		Yes	Y	Y	
Is it within 30 days? Timely payment	Y		Yes	Y	Y	
Has the VAT been recorded accurately in the accounts? VAT recorded	Y recorded and claimed		N/A	N/A	N/A	
Has a lawful power been identified?S137 recorded in ledger		N/A	N/A	Yes		

Notes/ recommendations						

	Year End Process	Y/N	Comments & recommendations	Risk		
				Low	Med	High
98	Accounting method correctly applied • Income and expenditure – *mandatory over £200k for 3 years* • Receipts and payments	√				
99	Bank statement opening and closing balances reconcile to cash book / ledger.	√				
100	Robust audit trail evident	√				
101	Debtors and Creditors recorded(I&E accounting method only)					
102	Asset register updated for current and previous year balances	√				
103	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31st March on DMO website. *(TPG5.70)* *Arrangement fees are treated as administrative expenses in year of receipt.*		N/A			
104	Lending *-check if any lending has taken place and is accounted for as specified in TPG.*		N/A			
105	Explanation of Variances completed in sufficient detail	√				
106	Intermediate audit recommendations implemented		None			
107	Annual Accounting Statement rounding applied/adds up	√				
108	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures		None			
109	Previous year ‘Restatements’ correctly identified	√				
110	Auditor’s recommendations for completion of the Annual Governance Statement*(if applicable)*and narrative report needed to explain IA Annual Statement’s ‘No’ entries.	√	None required			

Appendix: Additional Areas for Audit (Council Specific)

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

	Burials	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance					
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*		N/A			
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					
C2	Independently audited*		N/A			
C3	Returns filed within legal time limits*					

	Buildings and premises	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
Note	*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?*	Y Y Y Y	19 March 2026 30 Dec 2025 Website Registration			
Cb1						
Cb2						
Cb3						

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

	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.