



Lincolnshire Association of Local Councils

Internal Audit Checklist 2024/25

Name of Parish or Town Council	Ingham Parish Council		
Parish Council website	https://ingham.parish.lincolnshire.gov.uk/		
Name of internal auditor	Elaine Atkin		
Date of audit	06/01/25		
Type of audit	Intermediate	x	Year-end (including AGAR)
Council contact information	Name	Email	
Clerk	Gavin Monks	inghampc@googlemail.com	
RFO* if different			
Chairman*	Mark Nicholson		
Electorate	778	Total number of seats	8
Quorum	3	Number of seats filled at time of audit	8
Precept Demand 2024/25	£25,358	Gross budgeted Income	£30,109
Date of most recent audit		Gross budgeted Expenditure	£29,867.50
	Tested?	Comments	
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?	Y	Recommendations: <ul style="list-style-type: none">• Review Standing Orders & Financial Regulations. Tailor to the council. Update thresholds. Add version control.• Ensure Financial Regulation controls are being followed.• Minutes – meeting should not be closed prior to moving into closed session.• Publish information available under the Publication Scheme.	

		<ul style="list-style-type: none"> • Introduce a Grants Policy. • Record powers in minutes or against expenditure. • Maintain Training record. • Have a Co-option Policy.
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (JPAG The Practitioners' Guide para 4.26)	Y	Minute 413/January 2024. The parish council resolved to adopt the recommendations made.

Key governance review		Tested?	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders <i>(up to date, tailored, reviewed and lawful)</i>	Y	Based on NALC 2022 model. Approved February 2024. 18 - Procurement thresholds are out of date. See Financial Regulations.	x		
2	Financial Regulations* <i>(up to date (at least 2019 or 2024 version), tailored, reviewed and lawful)</i>	Y	Based on NALC model released 2024. Approved May 2024. Adoption date missing on page 1 – although version control (including date adopted) can be found at the end of the document. To avoid confusion, consider removing the reference from page 1.	x		
3	Terms of reference (committees / working groups) <i>(Agenda - clear days' notice, quorum, no individual councillors making decisions)</i>	Y	Terms of Reference for Personnel Committee have been approved but are not on the website. Recommendation – for transparency reasons, publish the Terms of Reference on the website.	x		

			The first Personnel Committee meeting was held just before Christmas, but the minutes haven't been published yet.			
4	Councillors' Code of Conduct*	Y	<p>Link on website pulls up the WLDC Code of Conduct and not one for Ingham PC.</p> <p>Clerk confirmed that the council adopted the WLDC one, but took it as is. There is no reference to Ingham Parish Council.</p> <p>Recommendation – The document is updated to confirm it is the Code of Conduct for Ingham Parish Council, based on the LGA version adopted by WLDC.</p>	x		
5	Complaints procedure* (tailored and reviewed)	Y	Adopted May 2023	x		
6	<p>Insurance Cover</p> <ul style="list-style-type: none"> • 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. 	Y	<p>Policy renewed May 2024 (for 1 June). 3-year arrangement with Aviva via Clear Insurance.</p> <p>£10m cover.</p> <p>Councillor ages held. No councillor above 75.</p>	x		
7	<p>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>).</p> <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	N/A	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) (<i>up to date, tailored, reviewed and lawful</i>) and published on the council website*	Y	Approved February 2024.	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	Data Breach Policy – approved May 2023. Record Retention Policy – approved May 2023. SAR Procedure – reviewed May 2024.	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>).	Y		x		
11	External audit report published by 30 Sept (<i>not applicable to councils validly certified as 'Exempt'.</i>)*	Y		x		
12	Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	Y	Accessibility Statement last reviewed/tested 2020. Recommendation - Due for a review.	x		

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y		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	All published: Notice of period for exercise of public rights; annual governance statement; accounting statements; notice of conclusion of audit; external auditor report and certificate; section 1 & 2 of AGAR including any amendments.	x		

16	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	Y		x		
17	Past 5 years of annual returns available online*	Y		x		
18	Asset register published by 1 July*	Y		x		
ICO Model Publication Scheme expected requirements:						
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		x		
21	Draft minutes published within one month of the meeting	Y		x		
Councils over £200K turnover:		N/A				
22	Senior officer salaries published*	N/A				
23	Data on issues important to local people <i>(eg. subsidised trade union activity, projects, parking, grants)*</i>	N/A				
24	Procurement information over £5,000 published*	N/A				

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	<p>Spreadsheet/general ledger. Updated monthly.</p> <p>Monthly reports to councillors.</p> <p>Spreadsheet checked against bank statement by councillors. Chair signs bank statement.</p> <p>On a quarterly basis, 2 other councillors (non-signatories) sign the statement.</p>	x		

26	Arithmetically correct (checks / balance)	Y		x		
27	Evidence of internal control (<i>compliant with Financial Regulations</i>)	Y	RFO checks invoices. Sends copy to signatories. They email confirmation that this can be paid. (2 responses required). Payment processed via online banking. Goes to the next meeting for payment authorisation. Cheques rarely used now - Cheques to be signed by 2 councillors and clerk, and also initial counterfoil.	x		
28	VAT* • evidence of recording • evidence of reclaiming	Y	VAT is recorded in the spreadsheet. Reclaimed annually via VAT 126 form, after year end/May. If there is a large expenditure with big VAT element, then the VAT is reclaimed more frequently. Full list of all VAT elements is held.	x		
29	All payments supported by authorised, minuted invoices	Y	The next meeting shows all payments previously authorised and any new ones requiring authorisation. Invoices are not cross-referenced with the minute authorising them.	x		
30	s.137* (<i>last resort power for non-GPC councils</i>) • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y	Recorded in the spreadsheet. Wreath £55 (paid by cheque). Grant to bowls club (£1,000).	x		
31	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Y	Payments mainly made via online banking. 1 cheque written, for the wreath. Clerk also makes purchases and is reimbursed via expenses.	x		
32	If Investments total over £100,000 an Investment Strategy has been adopted and ensure long-term	N/A				

investments for 12+ months are recorded in the Asset Register. (TPG 2.25-2.28 & 5.181-5.190)					
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Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y	2024/25 budget reviewed in December 2023 and January 2024. January 2024 - 2024/25 precept agreed as £25,358.	x		
34	Precept demand properly minuted*	Y	Minute 412/January 2024	x		
35	Earmarked reserves reviewed	Y	Clerk confirmed there are 2 savings accounts (Scottish Widows): 1 for work earmarked for Saxon Way and 1 for project to refresh MUGA. These reserves are reviewed after year end, but this is not evident from the minutes. Recommendation – To be included as part of the clerk’s finance report.	x		
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y	Clerk confirmed that actuals against budget are included in the monthly finance report, but this is not recorded in the minutes. The monthly finance report is published, although this does not appear to show variances against budget. Recommendation – For transparency purposed, council may want to consider this.	x		

Income control	Tested?	Comments & recommendations	Risk		
			Low	Med	High

37	Income properly recorded and banked promptly	Y	Income consists of: Precept, LCC grass cutting grant, lease of play area and part of playing field to school, bowls club, donations/grant, NDP grant, savings interest, VAT refund. Most is paid direct into the bank.	x		
38	Precept income received in bank account	Y	WLDC pay the precept on 1April all in one go.	x		
39	Effective security of cash and cash transactions		N/A			
40	Effective security of card transactions		N/A			

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	At Council meetings - Chair signs bank reconciliation. Bank balances minuted.	x		
42	Balancing entries (adjustments) explained		N/A			
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	Y	Recently moved to online banking (HSMC – current account). 3 signatories (April 2023). Clerk sets up the payments and councillors authorise.	x		

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

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	Reviewed annually – February. Published online.	x		
49	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	Y	Clerk completes monthly operational checks on play equipment and defibrillators. Caretaker completes weekly visual checks of play equipment. Regular reports to council that play area equipment is operationally safe and defibrillators are operational. Minutes reference tree survey - Saxon Way open space. Every 2 years all council trees are inspected.	x		
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	Y	Ingham Village Green is registered with LCC under Commons Registration Act 1965.	x		

Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	Y	Risk Review every February by council. Includes councillor activities, physical assets, insurance value. Internal controls reviewed. Review of effectiveness of system of internal controls. Annual play area inspection by Wicksteed.	x		
53	Annual risk assessment undertaken as a minimum	Y	As above.	x		
54	Financial controls and procedures documented	Y	Financial Regulations. Internal controls. Councillor Activities Risk Assessment document.	x		
55	Regular financial reporting to Council in line with Financial Regulations	Y		x		
56	Grants ratified and minuted according to policy	Y	Grants Policy approved February 2024 It does not reference S.137 and the fact this cannot be awarded to individuals,	x		

			although the Grant Application form does specify this.			
57	Evidence of unusual activity from minutes	Y	<p>County Council and District Council update is on the agenda but no information in the minutes as to what the update contained. Clerk confirmed this is only minuted if there is relevant information.</p> <p>Declarations of interest is a standing agenda item but there is no evidence of interests being declared in the minutes. Clerk has confirmed there have been no declarations this year.</p> <p>Recommendation - If there are no declarations of interest, it is best to minute that there were none, for clarity and transparency.</p> <p>Error spotted on website. There appear to be two lots of minutes titled 18th November but one is actually minutes from 4th November. Clerk to rectify.</p>	x		

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	Y	OneDrive and USB stick, password protected.	x		
59	Storage of files (paper and electronic) adequate	Y	Locked in filing cabinet. Archive material at village hall, under lock and key, covered by their insurance.	x		
60	Local Council Award Scheme applicable? <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	Y	No			
61	Registered with Information Commissioner's Office (if relevant)	Y	ZA404371.	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	Clerk/RFO Caretaker Job Descriptions reviewed last year.	x		
63	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients		N/A			
64	Right to work checks for employees completed https://www.gov.uk/check-job-applicant-right-to-work	Y	N/A – no recent hires.	x		
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	Links to information on WLDC website.	x		
66	Declarations of Acceptance of Office* <ul style="list-style-type: none"> • Councillor (after election/ co-option) • Chair (at least annually) 	Y	Chair (and Vice Chair) declarations seen (May 2024)	x		
67	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	Y	Co-option Policy in place. Adopted February 2024.	x		
68	Agenda documents lawful and published*	Y		x		

69	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	Samples seen. Pages have been initialled but the last page has not been signed and dated, so the minutes have not been legally signed. Reference: LGA 1972 Schedule 12, paragraph 41(1)		x	
70	Confidential items correctly used and resolutions minuted and published <i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i>	Y	Rarely have confidential items. None this year.	x		
71	Council-owned email address account in place <i>TPG 1.26</i>	Y	inghampc@googlemail.com	x		
72	Purchase order system used/correct	Y	Not used.	x		
73	Purchasing authorised in line with Financial Regulations / limits	Y	Clerk has a delegated spend limit up to £500, but generally always gets authorisation.	x		
74	Council operating within legal powers* Best practice to include legal power in resolutions of council.	Y	Noted that powers are included in the minutes. For example, Sept 2024 – 596/September 2024, Saxon Way tree work. End of year – income is broken down into powers.	x		
75	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	Covered in Standing Orders, Financial Regulations, Personnel Terms of Reference, Clerk is line manager for caretaker, as per list of duties.	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-particulars and amendments to contracts confirmed in writing*	Y				x		
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		External	X Nicholson s	x	
79	PAYE & NI payments spot checked - calculations		N/A – use external accountants					
80	Employers Allowance – Councils are not eligible – payroll system checked.	Y				x		
81	Approval of salaries and increments minuted	Y	Cost of living increase approved by council. There has not been any review of pay scale.			x		
82	Approval of expense claims	Y	Minuted with list of payments.			x		
83	Minimum wage threshold met	Y				x		
84	HR procedures and policies adopted / reviewed	Y	Disciplinary Policy – based on NALC template 2019. Grievance Policy - based on NALC template 2019. Approved May 2023.			x		
85	Training policy and record staff /elected Members	Y	Policy adopted February 2024. Link to Training Log comes up with 'page not found'. Clerk to fix. No training this year for either councillors or staff. Training budget is in place.			x		
86	Probation review completed for new staff within probation period.		N/A					
87	Annual appraisals undertaken	Y	Held in December by Personnel Cttee.			x		

88	Job description up to date / reviewed	Y	Reviewed last year.				x		
89	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> Display Screen Equipment 	Y	DSE assessment done in December.				x		
90	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	Y	Registered but staff not in pension scheme.				x		
91	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	Y	LGPS		Tick			x	
			NEST		Tick				
			Other		No pension provision in place				
	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY		
	• Opt-Out Evidenced*		Y	x	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						
Item / budget heading	Insurance	Village Hall light	S.137 grant	Q2 PAYE		
Reference / Cheque number	E066	E074		E092		
Order minute reference						
Delivery evidence						
Payment minute reference						
Invoice value	Clear Insurance Management Ltd Inv LC02087	Bright Spark Electrical Lincoln Inv 8978 9 July £110+£22 VAT = £132	Bowls Club Grant application form completed.	HMRC Cumbernauld £163.80		
Minute value	May 2024 £766.60	Sept 2024 £132	Sept 2024 590/Sept 2024 £1000	November 2024 £163.80		
Payment value	£766.60 paid on 12 June	Paid 13 August £132.00	November 2024 £1000	16 October 2024 £163.80		
Statement value						
Timely payment						

VAT recorded		£22.00				
S137 recorded in ledger			£1000 in the ledger			
S137 minuted						
Notes/ recommendations						

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 – <i>mandatory over £200k for 3 years</i> Receipts and payments 					
93	Bank statement opening and closing balances reconcile to cash book / ledger.					
94	Robust audit trail evident					
95	Debtors and Creditors recorded (I&E accounting method only)					
96	Asset register updated for current and previous year balances					
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>					
98	Lending <i>-check if any lending has taken place and is accounted for.</i>					
99	Explanation of Variances completed					
99	Intermediate audit recommendations implemented					
100	Annual Accounting Statement rounding applied/adds up					
101	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures					
102	Previous year 'Restatements' correctly identified					

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.					
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Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance					
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					
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* <ul style="list-style-type: none"> 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*					
C3	Returns filed within legal time limits*					

	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>					
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					
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.

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.