



Internal Audit Report.

Council:	South Kyme Parish Council
Internal Auditor:	Belina E. Boyer
Year Ending:	31 <sup>st</sup> March 2026
Date of Report	07/06/2026

This internal audit has been conducted in accordance with SAPPP Practitioners' Guide - March 2025 - Section 4 'Internal Audit'. It is recommended that a council completes an intermediate mid-year audit which allows any weaknesses in governance and internal controls to be corrected during the financial year and an end-of-financial-year audit.

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and sampling tests undertaken by me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to further audit enquiries being raised and the external auditor issuing a qualified opinion.

Lincolnshire Association of Local Councils

## Internal Audit Report.

To the Chairman of South Kyme Parish Council

I have examined council business documents including policies, agendas & minutes, accounting and financial statements and other documents relevant to this internal audit.

I confirm that I am independent of the council, its officers and councillors and its activities and I identified no conflicts of interest to my work with this council to the best of my knowledge.

The results of this internal audit are recorded on the next page. If any part of the audit was found to 'unsatisfactory' I have provided recommendations to improve the weakness identified.

Yours sincerely

Belina E. Boyer

Internal Auditor

Lincolnshire Association Local Councils

Date:

Area of work checked	Outcome
Implementation of previous auditor recommendations	Evidence produced
Implementation of previous AGAR weaknesses/ recommendations	Evidence Produced
Key Governance Review	Weaknesses identified
Transparency	Weaknesses identified
Accounting	Evidence Produced
Budget	Evidence Produced
Income Control	Evidence Produced
Bank Reconciliation	Evidence Produced
Petty Cash	Not applicable
Asset Control	Weaknesses identified
Risk Management	Weaknesses identified
General Administration	Not applicable
Proper Process/Practice	Evidence Produced
Payroll/HR	Evidence Produced
Transaction spot checks	Weaknesses identified
Year-end process	Weaknesses identified
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable

## Recommendations

### 1. Minutes

- a) The minutes of meetings have been published on the website as scans of the signed originals. The same is true for the payment schedules and bank reconciliations. This makes them inaccessible to people using screen readers.
- b) The minutes of the meeting 16 January 2025 are inaccurate in as far as they report that the precept for the year 2024/25 had been agreed. (see below).

75. **RFO To Present The Detailed 2025/2026 Budget, Reserves And Precept, For Review And Approval.**

The RFO presented the detailed Budget for FY 2025/26 proposal. After some discussion it was agreed that the Precept for the next year would remain at its current value. Projects for the next FY would include: a new SID; a potential upgrade to the riverside footpath from Coy Bridge to Church Bridge; and work to potentially improve the parking area at New Bridge around the Slea Monument.

It was proposed, seconded and

**Resolved:** To agree the budget as circulated with no increase (0%) from the previous budget.

It was proposed, seconded and

**Resolved:** To set the precept for 2024/2025 at £11,960.

Date 2. May 25

3 – 25

Chair of SKPC

**Recommendation:** Mistakes happen, but care must be taken that minutes in the public domain are accurate, even if it means an agreed handwritten correction. Minutes and other documents should not be uploaded as scans.

## 2. Publication Requirements

Smaller authorities **must** publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2024/25**
- **Section 1 – Annual Governance Statement 2024/25**, page 5
- **Section 2 – Accounting Statements 2024/25**, page 6
- **Analysis of variances** • **Bank reconciliation**
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

The end date on the Notice of Elector's Rights was incorrect and boxes 11a and b in section 2 were not completed and there was more than a month delay between the documents being approved and the notice being issued, something frequently criticised by external auditors.

The 6<sup>th</sup> August was a Wednesday, not a Thursday and thus only 29 days' notice given.

The AGAR was not agreed at 22 May meeting. (sess MABLETHORPE AND SUTTON TOWN COUNCIL) yet Exemption Certificate was signed **22 May** but approving meeting not until 26 June.. Notice of public Rights issued on day of meeting, not after.

## 3. Evidence of internal control

The original paperwork could not be viewed. The sample invoices provided were not signed nor were copies of the bank statements. The payments listings and bank reconciliations are online in their signed form. There has been no evidence that Financial Reg 2.6 was adhered to.

Actual Expenditure is reported on at most meetings. However, the expenditure compared to the approved budget is not monitored.

#### **4. VAT**

On one sample invoice VAT (and Payee) were not correctly recorded in the cashbook and VAT thus not likely reclaimed.

#### **5. Payment authorisation and recording**

Greater care needs to be taken to record items of income and expenditure correctly on the cashbook but also in the minutes. One large payment, for a council of this size, was approved retrospectively. (£1525.51 for Electric Clutch Kit) and I fail to understand why £820.20 for bins would be recorded under Trophies and awards.

#### **6. Assets**

Are street furniture, notice boards and any other assets regularly tested for safety? Are all current assets listed on the approved and published asset register?

#### **7. Agar 2025-26**

The [annual-governance-and-accountability-return-agar-2025-26-includes-cert-of-exemption-and-annual-accounting-statement](#) was approved ([DRAFT\\_20260521\\_Minutes.docx](#)) and published before AIAR had been received. Assertion 4 was incorrectly answered yes. Box 11 of the Finance statement was answered incorrectly and re-stated previous year amounts not identified appropriately.

Recommendations regarding the Annual Governance Statement 2025-26

The requirements to state 'Yes' for each assertion is described in Chapter One Practitioners Guide 2025-26.

Annual Governance Statement Assertion	Internal Auditor comments
<p>Assertion 1 - Financial management and preparation of accounting statements We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</p>	
<p>Assertion 2 - Internal control We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</p>	
<p>Assertion 3 - Compliance with laws, regulations and proper practices We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.</p>	
<p>Assertion 4 - Exercise of public rights We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.</p>	Not met.
<p>Assertion 5 — Risk management We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required</p>	
<p>Assertion 6 — Internal Audit We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</p>	
<p>Assertion 7 — Reports from Auditors We took appropriate action on all matters raised in reports from internal and external audit</p>	
<p>Assertion 8 — Significant events We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.</p>	

<p>Assertion 9 — Trust Funds (local councils only) Trust funds (including charitable). The council is a sole managing trustee and has discharged its accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.</p>	
<p>Assertion 10 - Digital and data compliance We considered and implemented the requirements to protect data and information.</p>	

-End of Internal Auditor's Report-