



# Lincolnshire Association of Local Councils

## Internal Audit Checklist 2025/26

<b>Name of Parish or Town Council</b>	South Kyme Parish Council		
<b>Parish Council website</b>	<a href="https://south-kyme.parish.lincolnshire.gov.uk/">https://south-kyme.parish.lincolnshire.gov.uk/</a>		
<b>Name of internal auditor</b>	Belina Boyer		
<b>Date of audit</b>	07/06/2026		
<b>Type of audit</b>	Intermediate		Year-end (including AGAR) ✓
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	A Chapman (at time of actual audit)	clerk@southkymeparishcouncil.gov.uk	
<b>RFO* if different</b>			
<b>Chairman*</b>	Craig Midgley		
<b>Electorate</b>	331	<b>Total number of seats</b>	7
<b>Quorum</b>	3	<b>Number of seats filled at time of audit</b>	5
<b>Precept Demand 2025/26</b>	11,960.00	<b>Gross budgeted Income</b>	12,640
<b>Date of most recent audit</b>	23.06.2025	<b>Gross budgeted Expenditure</b>	12,628
	<b>Tested?</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?</b>	Y		
<b>Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (SAPPP The Practitioners Guide para 5.99)</b>	Y	Date minuted and minute reference(s)	

Key governance review		Tested?	Comments & recommendations	Risk <sup>i</sup>		
				Low	Med	High
1	Standing Orders* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	✓		✓		
2	Financial Regulations* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	✓		✓		
3	Terms of reference (committees / working groups) <i>(should contain - clear days' notice, quorum, delegated power or advisory, lawful, no individual councillors making decisions.)</i>	✓		✓		
4	Councillors' Code of Conduct* <i>(s.27 Localism Act 2011)</i>	✓		✓		
5	Complaints procedure* (tailored and reviewed)	✓		✓		
6	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"> <li>• <i>Date and minute reference GPOC adopted</i></li> <li>• <i>Qualified Clerk (CiLCA 2015 or later or Level 4 Community Governance or higher qualifications seen)</i></li> <li>• <i>Two-thirds elected councillors at the time of adoption during the current cycle.</i></li> </ul>	✓	Not applicable as no employed clerk at relevant times.	✓		
7	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>	✓	See longhand report. . <a href="#">Notice of Rights.docx</a>		✓	
8	External audit report published by 30 Sept on the council website <i>(not applicable to councils validly certified as 'Exempt').* (TPG para 5.81- 5.84 also see guidance notes on front of applicable AGAR form)</i>		Not applicable. Declared exempt.			

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
9	End of year accounts published by 1 July*	✓	Appears like it on website	✓		
10	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	✓	Appears like it on website	✓		
11	Documents listed on front page of AGAR form published as specified.	✓	NO		✓	
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*	✓		✓		
<b>ICO Model Publication Scheme expected requirements:</b>					✓	
15	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	✓				
16	Councillor responsibilities published by 1 July	✓				
17	Draft minutes published within one month of the meeting	✓				
<b>Councils over £200K turnover:</b>			N/A			
18	Senior officer salaries published*					
19	Data on issues important to local people <i>(eg. subsidised trade union activity, projects, parking, grants)*</i>					
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	✓	This was eventually available. It may not have been up to date earlier in the year.		✓	

22	Arithmetically correct (checks / balance)	✓		✓		
23	Evidence of internal control ( <i>compliant with Standing Orders and Financial Regulations and TPG 1.14-1.21</i> )	✓		✓		
24	VAT* • evidence of recording • evidence of reclaiming	✓		✓		
25	All payments supported by authorised, minuted decisions and invoices	✓		✓		
26	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	✓		✓		
27	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Standing Orders • Credit or debit cards • Other payments	✓	Weaknesses identified.		✓	
28	If Investments/ funds/ cash/ total over £100,000 an Investment Strategy MUST have been adopted and 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. ( <i>TPG 2.26-2.29, Section 4 Item H &amp; 5.17, 5.29-30, 5.174-5.177, 5.185-5.190</i> ). 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)	✓	Jan 25 Meeting	✓		
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)	✓		✓		
32	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget are explained.	✓		✓		

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.	✓		✓		
36	Aged debt analysis maintained and appropriate recovery procedures in place to recover arrears/ debts (TPG 5.46-5.48)	✓		✓		
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	✓		✓		
39	Effective security of card receipts transactions	✓		✓		

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)	✓		✓		
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)		No evidence seen of mandate updates, removal of retired members or adding of Clerk/RFO as users to accounts so payments can be made online.	✓		

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* <ul style="list-style-type: none"> <li>• Exists</li> <li>• Up to date and complete</li> <li>• Published</li> <li>• Review (at least annually) has been minuted (TPG Section 4 Table item H, 5.57-5.70)</li> </ul>	✓	Bins purchased April 2025 not listed. Are other assets missing? No evidence of recent (2025/26 year end) review found		✓	
48	Any loans to organisations, groups and other parties accurately recorded in the register.	✓	Not applicable.	✓		
49	Land and property registered with HM Land Registry. <a href="https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property">https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property</a>	✓	None listed on asset register	✓		

<b>50</b>	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)	✓	No loans			
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Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
<b>51</b>	Risk Register / Management scheme in place and reviewed annually and minuted (TPG 1.31-1.33, Section 4 Table Item C)	✓	<a href="https://south-kyme.parish.lincolnshire.gov.uk/downloads/file/757/skpc-risk-management-policy-review-sep-26-">https://south-kyme.parish.lincolnshire.gov.uk/downloads/file/757/skpc-risk-management-policy-review-sep-26-</a>	✓		
<b>52</b>	<b>Insurance Cover</b> <ul style="list-style-type: none"> <li>• Reviewed annually for levels of cover</li> <li>• Certificate(s) viewed &amp; valid</li> <li>• Employees' Liability Cover in place and published*</li> <li>• Public Liability Cover</li> <li>• Employees' Fidelity Guarantee</li> <li>• Councillors' ages reviewed and recorded (some policies restrict some or all cover over certain ages)</li> <li>• Other e.g. vehicles, assets, equipment, volunteers ...</li> <li>• Compare schedule against asset register and ensure adequate insurance is in place for items to be covered.</li> <li>• Public liability insurance must match the PLI for any delegated services, assets (£10million)</li> <li>• 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?</li> </ul> (TPG Section 4 Table Item C)	✓		✓		
<b>53</b>	Internal Controls outlined in Financial Regulations and Standing Orders are being followed and effective? (TPG Section 4 Table Item C)	✓	See report		✓	
<b>54</b>	<b>Assets inspected and Health &amp; Safety issues considered*</b> <ul style="list-style-type: none"> <li>• Play equipment</li> <li>• Street furniture</li> <li>• Fire safety</li> <li>• Defibrillators</li> <li>• Other</li> </ul>	✓	No evidence of regular inspections seen. No play equipment or buildings			
<b>55</b>	Grants ratified and minuted according to policy	✓	N/A	✓		
<b>56</b>	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)	✓	No policy in place		✓	

57	Evidence of unusual activity from minutes	✓	None noticed	✓		
58	Back up of files adequate	✓	Office 365 – old laptop!		✓	
59	Storage of files (paper and electronic) adequate	✓	Office 365 – External Hard drive recommended		✓	

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
60	Local Council Award Scheme applicable? <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul> Would this Council be a suitable candidate if they have not achieved the Award Scheme before now?	✓	Applying for bronze would be possible.	✓		

Proper Process / Practice		Tested?	Comments & recommendations	Risk		
				Low	Med	High
61	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on council website /link to District Council</li> <li>• reviewed regularly (<i>Members have a statutory requirement to complete and report changes within 28 days of change</i>)</li> <li>• Interests declared in meetings and members follow Standing Orders and Code of Conduct</li> <li>• Dispensations approved as set out in Standing Orders and minuted.</li> </ul>	✓	<a href="#">Homepage – South Kyme Parish Council</a>	✓		
62	Declarations of Acceptance of Office* <ul style="list-style-type: none"> <li>• Councillor (after election/ co-option)</li> <li>• Chair (at least annually)</li> </ul>	✓		✓		
63	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	✓		✓		
64	Agenda documents lawful and published*	✓		✓		
65	Minutes lawful and published/ hard copy signed* <ul style="list-style-type: none"> <li>- Apologies noted or resolved to be accepted?</li> <li>- A member absent for 6 months handled correctly?</li> <li>- Minutes sequential?</li> <li>- Members present and not present recorded</li> </ul>	✓		✓		

	<p>- <i>Interests correctly minuted and members leave room in accordance with Code of Conduct and Standing Orders (Ss27-33 Localism Act 2011)</i></p> <p>- <i>Dispensations applied for and granted in accordance with Standing Orders (S.33 Localism Act 2011)</i></p> <p>- <i>Resolutions are minuted and stated with clarity and the applicable legal power included.</i></p>					
66	<p>Confidential items correctly used and resolutions minuted and published</p> <p><i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i></p>	✓	7 May 2026 example	✓		
67	Purchase order system used/correct	✓	No. Small council.	✓		
68	<p>Purchasing authorised in line with Financial Regulations / Standing Orders limits and the Procurement Act 2023 and Procurement Regulations 2024 requirements</p> <ul style="list-style-type: none"> <li>- Choice of procurement method correct for the procurement</li> <li>- For £30,000+(inc VAT) contracts published on 'Find a Tender'</li> <li>- For £5,000 - £29,999 recommended to publish on 'Find a Tender'</li> <li>- Contract decisions issued and published</li> <li>- 30-day payment terms apply to all contracts</li> <li>- Publish 6-monthly performance to pay within 30-days</li> </ul>	✓		✓		
69	<p>Delegation to officers or committees</p> <ul style="list-style-type: none"> <li>• Lawful delegation (to an officer, committee or joint committee but an individual councillor does <b>not</b> have decision-making powers – S.101 Local Government Act 1972)</li> <li>• Limits set out in financial regulations and / or standing orders or policies or schemes of delegation;</li> <li>• adhered to;</li> <li>• reported adequately</li> </ul>	✓	Purchase authorisation of mower blades not sufficiently evidenced.		✓	
70	<p>Annual publication of Members Allowances, Subsistence and Travel expenses paid in the financial year within 14 days of 31<sup>st</sup> March where practicable.</p> <p>(Local Authorities (Members' Allowances) (England) Regulations 2003 regulation 31)</p>	✓	N/A	✓		

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.	✓	N/A			
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Payroll & HR		Tested?	Risk			
			Comments & recommendations	Low	Med	High
72	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"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff/ Grounds workers <ul style="list-style-type: none"> <li>• Other</li> </ul> </li> </ul>	✓	The council had a mixture of paid and unpaid Clerk/RFOs during the year. The new/old clerk now on paid contract. To be evidenced at next audit.		✓	
73	Public sector IR35 rules applied where applicable <a href="https://www.gov.uk/guidance/off-payroll-working-for-clients">https://www.gov.uk/guidance/off-payroll-working-for-clients</a>		Not tested			
74	Right to work checks for employees completed and on file <a href="https://www.gov.uk/check-job-applicant-right-to-work">https://www.gov.uk/check-job-applicant-right-to-work</a>		Not tested, clerk left			
75	Written statement of particulars for all staff from day one (April 2020 onwards) <a href="https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars">https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars</a> and amendments to contracts confirmed in writing and minuted*		Not tested clerk left			
76	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*		Appears to be for the two months of employment		✓	
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.	✓	<b>Not showing on payslip</b>	✓		
80	Approval of salaries, annual inflationary increases and increments minuted	✓	N/A	✓		
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	✓		✓		
85	Probation review completed for new staff within probation period.	✓	Staff let go		✓	
86	Annual appraisals undertaken		Not applicable			
87	Job description up to date / reviewed		Not applicable			
88	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> <li><a href="#">Display Screen Equipment</a></li> </ul>		Not applicable			
89	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)		Not tested – council may need to register/re-register and go through the relevant processes.		✓	
90	Adequate Pension provision in place to meet statutory requirements  <a href="https://www.gov.uk/employers-workplace-pensions-rules">https://www.gov.uk/employers-workplace-pensions-rules</a>		LGPS	Tick	✓	
			NEST	Tick		
			Other	Identify		
	<ul style="list-style-type: none"> <li>Automatic Enrolment for Staff*</li> </ul>		Y		N	
<ul style="list-style-type: none"> <li>Opt-Out Evidenced*</li> </ul>		Y		N		DD/MM/YYYY

Information and data compliance		Tested?	Comments & recommendations	Risk		
				Low	Med	High
91	Registered with Information Commissioner's Office <i>(if relevant)</i>	✓		✓		
92	Council-owned email address account in place (either .gov.uk or .org.uk format) <i>(TPG 1.47)</i>	✓		✓		
93	Website Accessibility Statement reviewed and published online* <a href="https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps">https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps</a>	✓	<a href="#">Accessibility – South Kyme Parish Council</a>	✓		
94	GDPR/ Data Protection Act policies and procedures in place* <ul style="list-style-type: none"> <li>• Record Retention Schedule</li> <li>• Data Breach Assessment</li> <li>• Privacy Policy</li> <li>• Process for dealing with a Subject Access Request</li> <li>• Security Compliance Checklist ....</li> </ul>	✓	<a href="#">Privacy – South Kyme Parish Council</a>	✓		
95	Publication scheme (ICO model template adopted) <i>(up to date, tailored, reviewed and lawful)</i> and published on the council website.* (Modifications from the ICO template must have had ICO approval.) <i>(Ss19-20 FOIA 2000)</i> Has the Council complied with publishing the information specified in its Publication scheme?	✓		✓		
96	Compliant with the relevant Transparency Code (if applicable)?	✓		✓		
97	IT Policy adopted	✓		✓		

## 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	14/04/25	13/05/25	28/07/25	19/11/25	02/02/26	25/02/26 Wrong date
Item / budget heading	VTG Repairs	Insurance	Broadband	Christmas Tree	Software licences	Staff Costs
Reference / Cheque number	Wrong Payee in accounts					
Was purchase approved prior to ordering? Order minute reference						
Any evidence the purchase was delivered? Delivery evidence		Yes				
When was the payment approved? Payment minute reference	17/ May 25	17/ May 25	39/July 25	76/Nov 25	113/March 26	
Is the bill the same as ordered? Invoice value	69.20	£248.55	15	220.48	59.99	318.45
Is the payment approval minuted? Minute value	69.20	248.55	15	220.48	59.99	
Is the payment approved matching? Payment value	69.20	248.55	15	220.48	59.99	318.45
Does the bank statement value match amount approved? Statement value	69.20	248.55	15	220.48	59.99	318.45
Is it within 30 days? Timely payment	yes	yes	SO	yes	yes	23/03/25 ?
Has the VAT been recorded accurately in the accounts? VAT recorded	No	N/A	N/A	yes	yes	n/a
Has a lawful power been identified? S137 recorded in ledger	No	No	No	No	no	no
Notes/ recommendations	Invoice made out to SKPC and delivered to it. So why no VAT recorded and reclaimed?					Payment dates/periods as recorded in spreadsheet?

Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
98	Accounting method correctly applied <ul style="list-style-type: none"> <li>Income and expenditure – mandatory over £200k for 3 years</li> <li>Receipts and payments</li> </ul>	Y	R+P	✓		
99	Bank statement opening and closing balances reconcile to cash book / ledger.	N	March 2026 statement for reserve account not supplied	✓		
100	Robust audit trail evident		No signed invoices seen	✓		
101	Debtors and Creditors recorded (I&E accounting method only)		N/A			
102	Asset register updated for current and previous year balances		Some purchases yet to be added		✓	
103	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 <sup>st</sup> March on DMO website. (TPG5.70) <i>Arrangement fees are treated as administrative expenses in year of receipt.</i>		n/a			
104	Lending <i>-check if any lending has taken place and is accounted for as specified in TPG.</i>		n/a			
105	Explanation of Variances completed in sufficient detail	✓	None seen		✓	
106	Intermediate audit recommendations implemented		n/a/			
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		n/a			
109	Previous year 'Restatements' correctly identified		Not identified in published AGAR		✓	
110	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.		AGAR published and approved prior to AIAR receipt.		✓	

#### 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.