



Lincolnshire Association of Local Councils

Internal Audit Checklist 2024/25

Name of Parish or Town Council	Sedgebrook Parish Council		
Parish Council website	Homepage – Sedgebrook Parish Council		
Name of internal auditor	Belina E Boyer		
Date of audit	21+25 June 2025		
Type of audit	Intermediate		Year-end (including AGAR) ✓
Council contact information	Name	Email	
Clerk	Jane Bratton	clerksedgebrook@gmail.com	
RFO* if different			
Chairman*	Gill Mahoney		
Electorate	282	Total number of seats	7
Quorum	3	Number of seats filled at time of audit	
Precept Demand 2024/25	13,090	Gross budgeted Income	
Date of most recent audit		Gross budgeted Expenditure	
	Tested?	Comments	
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?	Y	Action remains outstanding/to be minuted as taken.	
Were the auditor reports and actions implemented? Have the actions appeared		Action remains outstanding/to be minuted as taken.	

in the minutes? (JPAG The Practitioners' Guide para 4.26)		N				
Key governance review		Tested?	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders (up to date, tailored, reviewed and lawful)	✓		✓		
2	Financial Regulations* (up to date (at least 2019 or 2024 version), tailored, reviewed and lawful)	✓		✓		
3	Terms of reference (committees / working groups) (Agenda - clear days' notice, quorum, no individual councillors making decisions)	X	No committees	✓		
4	Councillors' Code of Conduct*	✓		✓		
5	Complaints procedure* (tailored and reviewed)	✓		✓		
6	Insurance Cover <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. 	✓		✓		

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"> • 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. • 		Not Applicable. Where the council does not have the General Power of Competence, it should identify which legal power exists for each of the council's activities.			
8	Publication scheme (based on the ICO model template) (<i>up to date, tailored, reviewed and lawful</i>) and published on the council website*	✓	There is an publication scheme, but I have not been provided with GDPR policies. Model policies are available from SLCC and NALC	✓		
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 	✓	I have not been provided with GDPR policies. A Retention Schedule is published online. Model policies are available from SLCC and NALC		✓	
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>).	✓		✓		
11	External audit report published by 30 Sept (<i>not applicable to councils validly certified as 'Exempt'</i>)*		N/A			
12	Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	✓	Statement last reviewed in February 2022. Should be updated to address WCAG 2.2 requirements which came into force in October 2024.		✓	

Transparency	Tested?	Comments & recommendations	Risk		
			Low	Med	High

13	End of year accounts published by 1 July*	✓		✓		
14	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	✓		✓		
15	Documents listed on front page of AGAR form published as specified.	✓		✓		
16	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	✓		✓		
17	Past 5 years of annual returns available online*	✓		✓		
18	Asset register published by 1 July*	✓		✓		
ICO Model Publication Scheme expected requirements:						
19	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	✓		✓		
20	Councillor responsibilities published by 1 July	✓		✓		
21	Draft minutes published within one month of the meeting	✓	As much as can be verified on website.	✓		
Councils over £200K turnover:						
22	Senior officer salaries published*		N/A			
23	Data on issues important to local people (eg. subsidised trade union activity, projects, parking, grants)*					
24	Procurement information over £5,000 published*					

Accounting	Tested?	Comments & recommendations	Risk
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				Low	Med	High
25	Cashbook maintained and up to date	✓	VAT refunds should be recorded as income.		✓	
26	Arithmetically correct (checks / balance)	✓	VAT refunds should be recorded as income		✓	
27	Evidence of internal control (<i>compliant with Financial Regulations</i>)	✓	14.2 Verification of Bank Statements/Bank Reconciliations – Councillor Jane Denton verified the documentation.		✓	
28	VAT* • evidence of recording • evidence of reclaiming	X	VAT incorrectly accounted for as negative expenditure. Should be accounted for as “total other receipts”		✓	
29	All payments supported by authorised, minuted invoices	✓	Those sampled	✓		
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		None recorded	✓		
31	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	✓		✓		
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. (<i>TPG 2.25-2.28 & 5.181-5.190</i>)		N/A			

Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	✓	Minute 14.4 no budget published	✓		
34	Precept demand properly minuted*	yes	Precept amount not minuted.14.4		✓	
35	Earmarked reserves reviewed	✓	no	✓		
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	✓	There is a revised budget published. I would like to see at least quarterly reports of where the councils receipts and payments sit as a proportion/percentage of the approved budget.		✓	

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	✓		✓		
38	Precept income received in bank account	✓		✓		
39	Effective security of cash and cash transactions	X				
40	Effective security of card transactions	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.	✓	14.2 Verification of Bank Statements/Bank Reconciliations – Councillor Jane Denton verified the documentation. The 2025 Practitioners Guide has an example bank reconciliation under 5.24.		✓	
42	Balancing entries (adjustments) explained	✓	Explanations are in long narratives.		✓	
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	✓	Yes 15.12	✓		

Petty cash		Tested?	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised	X				
45	Petty cash spending supported by VAT receipt(s)	X				
46	Petty cash reported to Council	X				
47	Petty cash float reconciled/reimbursed	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 	✓		✓		
49	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	✓	Record of Annual Play inspection. Weekly play inspections should be dated and signed, in case of injury claims. Are benches and defibrillators checked and these checks documented and retained?.	✓		
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	X	Please check if your land is registered, if not, please start the registration process.			

Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	✓	14.2	✓		
53	Annual risk assessment undertaken as a minimum	✓	14.2	✓		
54	Financial controls and procedures documented	✓			✓	

55	Regular financial reporting to Council in line with Financial Regulations	✓		✓		
56	Grants ratified and minuted according to policy	X				
57	Evidence of unusual activity from minutes	✓				

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	X	Dropbox?		✓	
59	Storage of files (paper and electronic) adequate	X			✓	
60	Local Council Award Scheme applicable? • Foundation • Quality • Quality Gold	X	No			
61	Registered with Information Commissioner's Office (if relevant)	✓	Yes	✓		

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. • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff/ Grounds workers • Other	X	Long standing employees			
63	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients	X	Long standing employee			

64	Right to work checks for employees completed https://www.gov.uk/check-job-applicant-right-to-work	X	Long standing employee			
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. 	✓		✓		
66	Declarations of Acceptance of Office* <ul style="list-style-type: none"> Councillor (after election/ co-option) Chair (at least annually) 	X	See last year's report	✓		
67	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	X				
68	Agenda documents lawful and published*	✓	Agendas are published on the website but not dated or signed. See LGA 1972, Sch 12, 10		✓	
69	Minutes lawful and published/ hard copy signed* <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. 	✓	No hard copies seen. Minute references only sequential within the document and restart at one for each meeting. Declaration of interest a standing item.		✓	
70	Confidential items correctly used and resolutions minuted and published <i>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</i>	X				
71	Council-owned email address account in place <i>TPG 1.26</i>	✓	No, simple personal gmail			

72	Purchase order system used/correct	X				
73	Purchasing authorised in line with Financial Regulations / limits	X	Original orders not seen, Remote audit.			
74	Council operating within legal powers* Best practice to include legal power in resolutions of council.	✓				
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 	✓	No committees, delegation of expenditure limits within Financial Regulations.	✓		

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*	X	No contracts seen					✓	
77	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	X						✓	
78	Is payroll inhouse or external provider used?	✓	In-house	✓					
79	PAYE & NI payments spot checked - calculations	✓					✓		
80	Employers Allowance – Councils are not eligible – payroll system checked.	✓						✓	
81	Approval of salaries and increments minuted	X					✓		
82	Approval of expense claims	✓					✓		
83	Minimum wage threshold met	✓					✓		
84	HR procedures and policies adopted / reviewed	✓					✓		
85	Training policy and record staff /elected Members	X							
86	Probation review completed for new staff within probation period.	X					✓		
87	Annual appraisals undertaken	X							
88	Job description up to date / reviewed	X							

89	Health and safety of staff workstation & PC equipment undertaken * • Display Screen Equipment	X						
90	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	X					✓	
91	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	X	LGPS		Tick		✓	
			NEST		Tick			
			Other		Identify			
	• Automatic Enrolment for Staff*		Y		N	DD/MM/YYYY	✓	
	• Opt-Out Evidenced*		Y		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	05/04/2024	25/05/24	04/11/24	03/02/2025	31/03/2025	08/03/2025
Item / budget heading	Annual Training Scheme	Local Councils Insurance Renewal	Grass cutting October	Work on trees - Recreation Field	Community Cleaner	Playground inspection
Reference / Cheque number	557	567	598	613	618	619
Order minute reference	24/01/2024	15.10			17/02/2025	07/03/25
Delivery evidence						
Payment minute reference	05/04/2024	16/05/24	14.8	15.4	15.4	15.4
Invoice value	132	523.30	282.48	550	107	108.30
Minute value	132	523.30	282.48	550	107	108.30
Payment value	132	523.30	282.48	550	107	108.30
Statement value	132	No statement	282.48	No statement	107	108.30
Timely payment	Yes	Yes	YES	Yes	Yes	Yes
VAT recorded	yes	N/A	yes	N/A	N/A	yes
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						

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 	Y	All items for 2023-24 as per previous audit report. Final documents/final drafts for 2024-25 not seen except AGAR.	✓		
93	Bank statement opening and closing balances reconcile to cash book / ledger.	Y				
94	Robust audit trail evident	Y				
95	Debtors and Creditors recorded (I&E accounting method only)		N/A			
96	Asset register updated for current and previous year balances	Y				
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. <i>(TPG5.70)</i> <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	Published online			
99	Intermediate audit recommendations implemented		N/A			
100	Annual Accounting Statement rounding applied/adds up	Y				
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.		N/A			