



Lincolnshire Association of Local Councils

Internal Audit Checklist 2025/26

Name of Parish or Town Council	Fenton & Torksey Lock Parish Council		
Parish Council website	fenton-torksey.parish.lincolnshire.gov.uk		
Name of internal auditor	Barry Rooks		
Date of audit			
Type of audit	Intermediate		Year-end (including AGAR) x
Council contact information	Name	Email	
Clerk	Diane Semley	clerk@fentonandtorkseylock-pc.gov.uk	
RFO* if different			
Chairman*	Lee Davies	Contact via the clerk	
Electorate	413	Total number of seats	7
Quorum	3	Number of seats filled at time of audit	7
Precept Demand 2025/26	£9840	Gross budgeted Income	£9840
Date of most recent audit	13/05/24 - finance audit	Gross budgeted Expenditure	£9840
	Tested?	Comments	
Has the internal auditor seen previous internal and external audit reports	Y/N	N	

including the most recent? What were the main recommendations?						
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (<i>SAPPP The Practitioners Guide para 5.99</i>)		Y/N				
Key governance review		Tested?	Comments & recommendations	Risk ¹		
				Low	Med	High
1	Standing Orders* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	Y	Reviewed and adopted Feb 2026	X		
2	Financial Regulations* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	Y	Reviewed and adopted Feb 2026	X		
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>	Y	Finance & Personnel committees to be recommended. Clerk in process of writing terms of reference for presentation at AGM in May 2026		X	
4	Councillors' Code of Conduct* <i>(s.27 Localism Act 2011)</i>	Y	Reviewed and adopted Feb 2026	X		
5	Complaints procedure* (tailored and reviewed)	Y	Adopted March 2026	X		
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"> • <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			

¹Endnotes

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.

	<ul style="list-style-type: none"> Two-thirds elected councillors at the time of adoption during the current cycle. 					
7	<p>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).</p>	Y	<p>Clerk comments: 'No arrangement for Public Rights put in place for 2024/2025. 2024/25 AGAR signed at Feb 2026 meeting and published on website and noticeboards together with explanations of negative answers to Governance Statements. Public to be informed of the situation and invited to inspect the relevant documents.'</p>		X	
8	<p>External audit report published by 30 Sept on the council website (not applicable to councils validly certified as 'Exempt'.)* (TPG para 5.81- 5.84 also see guidance notes on front of applicable AGAR form)</p>	Y	<p>Certificate of exemption completed 23.2.26 Note from Clerk: 'Exemption Certificate for 2024/25 submitted to PKF Littlejohn AGAR Completed and signed & reasons for negative answers explained - Awaiting any further actions from PKF & Internal Auditor'</p>		X	

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
9	End of year accounts published by 1 July*	Y	YES	X		
10	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y	YES	X		
11	Documents listed on front page of AGAR form published as specified.	Y	YES	X		
12	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	Y	YES	X		
13	Past 5 years of annual returns available online*	Y	YES	X		
14	Asset register published by 1 July*	Y	No previous register available - new asset register has been completed and will be added to the website with the AGAR documents.	X		
ICO Model Publication Scheme expected requirements:						
15	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	Y	None previously but details for 2025/26 ready for sign off and publication.	X		
16	Councillor responsibilities published by 1 July	Y	Councillors currently have no specific responsibilities.	X		
17	Draft minutes published within one month of the meeting	Y	YES	X		
Councils over £200K turnover:						
18	Senior officer salaries published*		N/A			
19	Data on issues important to local people (<i>eg. subsidised trade union activity, projects, parking, grants</i>)*		N/A			
20	Contract/ procurement information over £5,000 published*		N/A			

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
21	Cashbook or the accounting system maintained and up to date	Y	YES	X		
22	Arithmetically correct (checks / balance)	Y	YES	X		
23	Evidence of internal control (<i>compliant with Standing Orders and Financial Regulations and TPG 1.14-1.21</i>)	Y	Internal control policy adopted Feb 2026	X		
24	VAT* <ul style="list-style-type: none"> ● evidence of recording ● evidence of reclaiming 	Y	YES	X		
25	All payments supported by authorised, minuted decisions and invoices	Y	YES	X		
26	s.137* (<i>last resort power for non-GPC councils</i>) <ul style="list-style-type: none"> ● Recorded separately within accounts ● Within legal threshold limits for the current year ● Spend in accordance with legislation 	Y	YES	X		
27	Payments made in accordance with Financial Regulations <ul style="list-style-type: none"> ● Cheques ● Online banking ● BACS ● Direct Debit ● Standing Orders ● Credit or debit cards ● Other payments 	Y	YES: internal controls and financial regulations policies in operation	X		
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 & 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)	Y	YES	X		
30	Precept amount properly minuted by full council* (TPG Section 4 Table item D)	Y	YES	X		
31	General and earmarked reserves reviewed and sufficient (TPG 1.13, 2.10-11, 4.21 Table D, 5.31-5.39, 5.208)	Y	Reserves policy adopted March 2026, register created. <i>Recommendation: calculate 3-6 months worth of running costs and work towards building up that reserve amount as a non-budgeted item.</i>	X		
32	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget are explained.	Y	YES	X		

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Income properly recorded and banked promptly	Y	YES	X		
34	Precept income received in bank account.	Y	YES	X		
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)		N/A			
38	Effective security of cash and receiving cash from transactions		N/A			
39	Effective security of card receipts transactions	Y	YES	X		

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)	Y	YES	X		
41	Balancing entries (adjustments) explained	Y	YES	X		
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)	Y	Clerk has only recently obtained access to the bank account. ACTION: signatories currently being updated.	X		

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)		N/A			
45	Petty cash reported to Council		N/A			
46	Petty cash float reconciled/reimbursed		N/A			

Asset control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
47	Register of assets and long-term investments* <ul style="list-style-type: none"> • Exists • Up to date and complete • Published • Review (at least annually) has been minuted (TPG Section 4 Table item H, 5.57-5.70) 	Y	New asset register recently completed - to be added to the website with 2025/26 AGAR. ACTION: Clerk & councillors conducting site visits as the situation regarding land holdings is uncertain due to limited paperwork.	X		
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		N/A			

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)		N/A			
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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)	Y	General risk assessment completed Feb 2026. Currently being reviewed monthly until all risks have been assessed. ACTION: add to website	X		
52	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 and has the Risk Register been updated to mitigate the risk of re-occurrence? (TPG Section 4 Table Item C)	Y	YES	X		
53	Internal Controls outlined in Financial Regulations and Standing Orders are being followed and effective? (TPG Section 4 Table Item C)	Y	Financial regulations & controls and standing orders now in place and on website (Feb 2026)	X		
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	Y	Assets have been reviewed and recommendations made to the council. Recommendation: Consider simple regular site/asset inspection form going forward.	X		
55	Grants ratified and minuted according to policy	Y	YES	X		
56	Health and Safety Policy in place where there are 5+ persons working (count councillors, officers,		N/A			

	contractors, volunteers) (S 3, Health and Safety at Work Act 1974 and HSE)					
57	Evidence of unusual activity from minutes	Y	YES	X		
58	Back up of files adequate	Y	YES	X		
59	Storage of files (paper and electronic) adequate	Y	YES	X		

General	Tested?	Comments & recommendations	Risk		
			Low	Med	High
60 Local Council Award Scheme applicable? <ul style="list-style-type: none"> ● 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* <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	Website requires updating. Clerk is aware and is currently awaiting updated details from councillors.	X		
62 Declarations of Acceptance of Office* <ul style="list-style-type: none"> ● Councillor (after election/ co-option) ● Chair (at least annually) 	Y	YES	X		
63 Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	Y	Policy on website - clerk aware and due to update in June 2026.	X		
64 Agenda documents lawful and published*	Y	YES	X		
65 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 	Y	YES	X		

	<p>- Interests correctly minuted and members leave room in accordance with Code of Conduct and Standing Orders (Ss27-33 Localism Act 2011)</p> <p>- Dispensations applied for and granted in accordance with Standing Orders (S.33 Localism Act 2011)</p> <p>- Resolutions are minuted and stated with clarity and the applicable legal power included.</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>	Y	YES	X		
67	Purchase order system used/correct		N/A			
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"> - 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 a Tender' - Contract decisions issued and published - 30-day payment terms apply to all contracts - Publish 6-monthly performance to pay within 30-days 	Y	YES	X		
69	<p>Delegation to officers or committees</p> <ul style="list-style-type: none"> ● Lawful delegation (to an officer, committee or joint committee but 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	No committees currently	X		
70	<p>Annual publication of Members Allowances, Subsistence and Travel expenses paid in the financial year within 14 days of 31st 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?	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. <ul style="list-style-type: none"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff/ Grounds workers <ul style="list-style-type: none"> • Other 	Y	YES	X		
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 file https://www.gov.uk/check-job-applicant-right-to-work	Y	<i>Clerk to action</i>	X		
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*	Y	YES	X		
76	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	Y	YES	X		
77	Is payroll inhouse or external provider used?		In-house	Y	External	

78	PAYE & NI payments spot checked - calculations	Y	YES		X				
79	Employers Allowance – Councils are not eligible – payroll system checked.		N/A						
80	Approval of salaries, annual inflationary increases and increments minuted	Y	YES		X				
81	Approval of expense claims	Y	YES		X				
82	Minimum wage threshold met	Y	YES		X				
83	HR procedures and policies adopted / reviewed	Y	None - Clerk has recommended that a personnel committee be established at 2026 AGM			X			
84	Training policy and record staff /elected Members	Y	Policy being prepared ready for adoption at June 2026 meeting		X				
85	Probation review completed for new staff within probation period.	Y	New clerk completes probation in May 2026, to be passed at next meeting.						
86	Annual appraisals undertaken		None - Clerk has recommended that a personnel committee be established. Agenda item for next meeting.			X			
87	Job description up to date / reviewed	Y	YES		X				
88	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> Display Screen Equipment 	Y	YES		X				
89	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	Y	YES		X				
90	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	N/A	LGPS	Tick	X				
		N/A	NEST	Tick	X				
		N/A	Other	Identify	X				
	<ul style="list-style-type: none"> Automatic Enrolment for Staff* 	N/A	Y		N		DD/MM/YYYY	X	
	<ul style="list-style-type: none"> Opt-Out Evidenced* 	N/A	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>	Y	YES	X		
92	Council-owned email address account in place (either .gov.uk or .org.uk format) <i>(TPG 1.47)</i>	Y	YES	X		
93	Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	Y	YES	X		
94	GDPR/ Data Protection Act policies and procedures in place* <ul style="list-style-type: none"> ● Record Retention Schedule ● Data Breach Assessment ● Privacy Policy ● Process for dealing with a Subject Access Request ● Security Compliance Checklist 	Y	YES	X		
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?	Y	YES	X		
96	Compliant with the relevant Transparency Code (if applicable)?	Y	YES	X		
97	IT Policy adopted	Y	YES - adopted 2.3.26	X		

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	22/5/2025	8/1/2026				
Item / budget heading	Speed indicator device	Insurance				
Reference / Cheque number	See recommendation below	See recommendation below				
Was purchase approved prior to ordering? Order minute reference	March 2025 49	See below				
Any evidence the purchase was delivered? Delivery evidence	Y	Y				
When was the payment approved? Payment minute reference	April 2025 80	See below				
Is the bill the same as ordered? Invoice value	Y	Y				
Is the payment approval minuted? Minute value	Y	See below				
Is the payment approved matching? Payment value	Y	See below				
Does the bank statement value match amount approved? Statement value	Y	Y				
Is it within 30 days? Timely payment	Y	Y				
Has the VAT been recorded accurately in the accounts? VAT recorded	Y	Y				
Has a lawful power been identified? S137 recorded in ledger	N/A	N/A				
Notes/ recommendations	Add minute reference to income and expenditure items	Discussions around insurance evident in previous minutes.				

	& sequentially number payments for easier referencing	Clerk to retrospectively include approval of quote and payment.				
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Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
98	Accounting method correctly applied <ul style="list-style-type: none"> Income and expenditure – mandatory over £200k for 3 years Receipts and payments 	Y	YES	X		
99	Bank statement opening and closing balances reconcile to cash book / ledger.	Y	YES	X		
100	Robust audit trail evident	Y	YES: council have now subscribed to LALC audit process due to previous missing audits	X		
101	Debtors and Creditors recorded (I&E accounting method only)		N/A			
102	Asset register updated for current and previous year balances	Y	YES. potential council land ownership being investigated.	X		
103	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>		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	Y	YES	X		
106	Intermediate audit recommendations implemented	Y	See 100	X		
107	Annual Accounting Statement rounding applied/adds up	Y	YES	X		
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		N/A			

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.	Y	No previous audits available.	X		
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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	Y	Clerk: Current allotments are overgrown and of no financial risk to the council. Ownership and community need to be determined before any decisions.	X		
A2	Fees charged in accordance with approved rates	Y		X		
A3	Up to date occupancy details kept and securely retained	Y		X		
A4	Agreements/licences issued to all plot holders	Y		X		
A5	Other	Y		X		

	Burials	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance		N/A			
B2	Fees charged in accordance with approved rates		N/A			
B3	All interred ashes have certificates of cremation*		N/A			
B4	Permits properly documented and stored*		N/A			
B5	Cemetery regulations adopted and up to date		N/A			
B6	Registers of burials and purchased graves completed correctly and stored safely*		N/A			
B7	Burial certificates issued correctly		N/A			
B8	Green slips returned appropriately to Registrar		N/A			
B9	Legible cemetery burial plan up to date* ● backed up if appropriate		N/A			
B10	Business rates exemptions correctly applied		N/A			

	Charities	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately		N/A			
C2	Independently audited*		N/A			
C3	Returns filed within legal time limits*		N/A			

	Buildings and premises	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
Note	<p>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?</p>		N/A			
Cb1						
Cb2						
Cb3						

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

	Other	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
O1						
O2						
O3						