



Lincolnshire Association of Local Councils

Internal Audit Checklist 2025/26

Name of Parish or Town Council	Claypole Parish Council		
Parish Council website	Homepage – Claypole Parish Council		
Name of internal auditor	Rachel Popplewell		
Date of audit	20.05.2026		
Type of audit	Intermediate		Year-end (including AGAR) x
Council contact information	Name	Email	
Clerk	Anne Daly	clerk@claypole-pc.gov.uk	
RFO* if different			
Chairman*	Cllr M Revill	matthew.revill@claypole-pc.gov.uk	
Electorate		Total number of seats	8
Quorum	3	Number of seats filled at time of audit	6
Precept Demand 2025/26	£32,338	Gross budgeted Income	
Date of most recent audit	May 2025	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/N	Y – External Audit incorrectly completed. Sections 1 & 2 not completed in the correct order.	
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (SAPPP The Practitioners Guide para 5.99)	Y/N		

Key governance review		Tested?	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	y	May 2025 – reviewed May 2026			
2	Financial Regulations* <i>(up to date 2025 version, tailored, reviewed and lawful)</i>	Y	May 2025 – Reviewed May 2026			
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	Staffing & Budget Committees – TOR in place. Adopted 2024 – review?			
4	Councillors' Code of Conduct* <i>(s.27 Localism Act 2011)</i>	y				
5	Complaints procedure* (tailored and reviewed)	y	2024 – reviewed May 2026.			
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> • <i>Two-thirds elected councillors at the time of adoption during the current cycle.</i> 	y	Julu 2024			
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>		Yes - dates not minuted for 2024/25			
8	External audit report published by 30 Sept on the council website <i>(not applicable to councils validly certified as 'Exempt').*</i> <i>(TPG para 5.81- 5.84 also see guidance notes on front of applicable AGAR form)</i>	y	External audit report published.			

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
9	End of year accounts published by 1 July*	y				
10	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	y				
11	Documents listed on front page of AGAR form published as specified.	n	No bank rec for 2024/25			
12	Agendas and meeting papers published with three clear days' notice for parish/ town council meetings*	y				
13	Past 5 years of annual returns available online*	y	Via website			
14	Asset register published by 1 July*	y	For AGAR 2024/25			
ICO Model Publication Scheme expected requirements:						
15	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	y	All payments in the minutes.			
16	Councillor responsibilities published by 1 July	y				
17	Draft minutes published within one month of the meeting	y				
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>)*					
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	y				
22	Arithmetically correct (checks / balance)	y				
23	Evidence of internal control (<i>compliant with Standing Orders and Financial Regulations and TPG 1.14-1.21</i>)	y	Approved in minutes			
24	VAT* <ul style="list-style-type: none"> • evidence of recording • evidence of reclaiming 	y	Annual claim to be done for 2025/2026			
25	All payments supported by authorised, minuted decisions and invoices	y				
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 	n				
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	Unity Trust bank – logged by Clerk and approved by 1 councillor			
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	y	Nov 2025 Just set up CCLA.			

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	33% increase £1.10pw. Budget considered from committee, approved by FC	x		
30	Precept amount properly minuted by full council* (TPG Section 4 Table item D)	y				
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	Earmarked reserves noted July 2025	x		
32	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget are explained.	y	At each meeting.	x		

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Income properly recorded and banked promptly		Precept			
34	Precept income received in bank account.		£16k solar farm, direct into 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)	y	Monthly			
41	Balancing entries (adjustments) explained	y				
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	EOM May 2025 – reviewed Now UpToDate,			

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"> 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	Published 2024/25 audit Approved 1 st April			
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		PF – check registry		x	

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	Policy April 2025. Risk Register April 2025			
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	Zurich Renewal May 2026. Certificates on notice board.			
53	Internal Controls outlined in Financial Regulations and Standing Orders are being followed and effective? (TPG Section 4 Table Item C)	y				
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	y	Inspected play ground by Councillors, ROSPA carried out inspections, then annually.			
55	Grants ratified and minuted according to policy	y	Policy in place - 2024			
56	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)	y	2024 – review?			

57	Evidence of unusual activity from minutes				
58	Back up of files adequate	Y	One drive.		
59	Storage of files (paper and electronic) adequate	y			

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				

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	All completed, via SKDC website link to be added.			
62	Declarations of Acceptance of Office* <ul style="list-style-type: none"> • Councillor (after election/ co-option) • Chair (at least annually) 	y	May 2025 DAO signed in meeting			
63	Co-options (after eligibility and disqualification checks) approved by council by a vote, minuted and according to policy	y	Policy in place			
64	Agenda documents lawful and published*	y				
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	Signed copies of minutes seen			

	<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	Minimal details used in minutes			
67	Purchase order system used/correct	n				
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 					
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	As per delegation scheme published.			
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 • Other 	y	Yes all correct			
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	n/a				
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	Issued on day one			
76	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*		Basic tools			
77	Is payroll inhouse or external provider used?		In-house	x	External	

78	PAYE & NI payments spot checked - calculations	y	Paid monthly					
79	Employers Allowance – Councils are not eligible – payroll system checked.		All correct					
80	Approval of salaries, annual inflationary increases and increments minuted		Not carried out this year as yet					
81	Approval of expense claims	y						
82	Minimum wage threshold met	y						
83	HR procedures and policies adopted / reviewed	y	Grievance – 09.25. Dignity at Work.02.25					
84	Training policy and record staff /elected Members	y	T & D policy in place 05.2025					
85	Probation review completed for new staff within probation period.	y	Probation not minuted					
86	Annual appraisals undertaken	y	Appraisal to be carried out.					
87	Job description up to date / reviewed	y						
88	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> Display Screen Equipment 							
89	Registered with The Pensions Regulator* Reference number Date of (Re)Declaration of Compliance (every 3 years)	y						
90	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	n/a	LGPS		Tick			
			NEST		Tick			
			Other		Identify			
	<ul style="list-style-type: none"> Automatic Enrolment for Staff* 		Y		N		DD/MM/YYYY	
<ul style="list-style-type: none"> Opt-Out Evidenced* 		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	Paid by DD			
92	Council-owned email address account in place (either .gov.uk or .org.uk format) <i>(TPG 1.47)</i>	y	In place			
93	Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	y	2024			
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 		Records retention (10.2024) Data Protection (2024), Data Breach, SAR & FOI – 2024 Minutes May 2025 review			
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	On website – Nov 2025			
96	Compliant with the relevant Transparency Code (if applicable)?	n/a				
97	IT Policy adopted	y	Approved 01.04.2026. to be published.	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	2 April Minutes	2 July 2025	Sept minutes	December 2025	Jan 2026	Feb 2026 minutes
Item / budget heading	Community Heartbeat	Freddy Alan Grass cutting	Octopus Energy	Lincs ALC	Richard Watkin	SCIS
Reference / Cheque number						
Was purchase approved prior to ordering? Order minute reference						
Any evidence the purchase was delivered? Delivery evidence						
When was the payment approved? Payment minute reference						
Is the bill the same as ordered? Invoice value						
Is the payment approval minuted? Minute value	£198.00	£1242.00	£12.49	£30.00	£474.00	£35.64
Is the payment approved matching? Payment value	£198.00	£1242.00	£12.49	£30.00	£474.00	£35.64
Does the bank statement value match amount approved? Statement value	£198.00	£1242.00	£12.49	£30.00	£474.00	£35.64
Is it within 30 days? Timely payment						
Has the VAT been recorded accurately in the accounts? VAT recorded						
Has a lawful power been identified? S137 recorded in ledger						
Notes/ recommendations						

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 – <i>mandatory over £200k for 3 years</i> Receipts and payments 	Y	R&P			
99	Bank statement opening and closing balances reconcile to cash book / ledger.	y				
100	Robust audit trail evident	y				
101	Debtors and Creditors recorded (I&E accounting method only)	n/a				
102	Asset register updated for current and previous year balances	y				
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. <i>(TPG5.70)</i> <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	Details given			
106	Intermediate audit recommendations implemented	n/a				
107	Annual Accounting Statement rounding applied/adds up	y				
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	Now approved in the right order.			

Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	n/a				
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	n/a				
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>	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					
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.

ⁱ **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.