



Internal Audit Report.

Council:	Old Leake Parish Council
Internal Auditor:	Mr A. Everard
Year Ending:	31 st March 2026
Date of Report	26/06/2026

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 Old Leake 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

Mr A. Everard MBA, BA(Hons), IRRV(Hons), FMAAT, Assoc CIPD.

Internal Auditor

Lincolnshire Association Local Councils

Date: 26th June 2026

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

Having conducted a review of the documents produced and sampling checks on a series of transactions and other items I am making the following recommendations that will assist the Parish Council with its compliance with statutory duties, improve internal controls and reduce risk.

Recommendations

1. Creation of a Staffing Committee with Terms of Reference with delegated powers will assist the council in compliance with HR practice and compliance with ACAS Codes of Practice.
2. Recommended to review methods of payments (Direct Debit, Standing Order, mandates, etc) for all payees to ensure they are still needed.
3. An Investment Strategy is adopted by the Parish Council.

4. Reserves and fees are reviewed at budget-setting time or at least once during the financial year.
5. Insurance cover is reviewed alongside the Risk Register and updated Asset Register to ensure current cover is set at appropriate levels.
6. Regular checks of assets are in place to ensure they remain safe, usable and in good repair and recorded in writing and/or minuted.
7. The Council's Register of Interests is reviewed to ensure it is up to date and members are compliant with the Localism Act 2011 and Code of Conduct.
8. A Health and Safety Policy is put in place and office-based employees complete a Display Screen Assessment.
9. In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 Regulation 31 a notice is published at the end of the financial year stating if any member allowances, travel and subsistence has been paid or not.
10. The Parish Council should ensure that it has reviewed contractor arrangements to ensure it complies with HMRC rules regarding IR35 and PAYE (where applicable).
11. Ensure that it complies with the requirements of the statutory Right to Work checks and evidence of those checks is held on file and if necessary minuted to demonstrate compliance.
12. As an employer, Old Leake Parish Council must ensure that it meets its statutory duties with The Pensions Regulator and ensures it provides a workplace pension for employees that wish to use it.

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
Assertion 1 - Financial management and preparation of accounting statements <i>We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i>	Satisfactory
Assertion 2 - Internal control <i>We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</i>	Satisfactory
Assertion 3 - Compliance with laws, regulations and proper practices <i>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.</i>	Satisfactory
Assertion 4 - Exercise of public rights <i>We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.</i>	Satisfactory
Assertion 5 — Risk management <i>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</i>	Satisfactory
Assertion 6 — Internal Audit <i>We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i>	Satisfactory
Assertion 7 — Reports from Auditors <i>We took appropriate action on all matters raised in reports from internal and external audit</i>	Satisfactory
Assertion 8 — Significant events <i>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.</i>	Satisfactory
Assertion 9 — Trust Funds (local councils only) <i>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.</i>	Not applicable.
Assertion 10 - Digital and data compliance <i>We considered and implemented the requirements to protect data and information.</i>	Satisfactory.

-End of Internal Auditor's Report-