Lincolnshire Association of Local Councils

Internal Audit Report.

Council:	Metheringham, Sots Hole and Tanvats Parish Council
Internal Auditor:	Stacey Knowles
Year Ending:	31st March 2026
Date of Report	28/03/2026

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-today 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 Metheringham, Sots Hole and Tanvats 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 have weaknesses, I have provided recommendations to improve the weakness identified.

Yours sincerely

Stacey Knowles
Internal Auditor
Lincolnshire Association Local Councils

Date: 29 March 2026

Executive Summary

This internal audit has identified several significant weaknesses in the council's governance, internal control framework and compliance with statutory requirements. While many routine financial controls are operating effectively, a number of high-risk issues require urgent attention to ensure the council meets its legal obligations, maintains transparency, and protects public funds. Based on the evidence reviewed, the council's internal controls shows significant weaknesses in key areas of governance, procurement, delegation, statutory compliance and information management.

These issues require urgent corrective action by the council to ensure compliance with legislation, strengthen internal controls and restore transparency and accountability. A short summary of the high-risk findings is shown below. However, the audit report should be read in full as a number of other moderate and lower risk findings have also been identified.

High-Risk Findings

<u>Procurement Non-Compliance</u>
The council has approved a £116,000 procurement without complying with Financial Regulation 5.6, which requires three formal tenders or an open invitation to tender for contracts above £35,000. Standing Orders were amended to raise the tender threshold to £150,000, but Financial Regulations were not updated, creating a direct conflict. As Financial Regulations take precedence, the procurement decision represents a material breach of the council's own rules and exposes the council to legal, financial and reputational risk.

<u>Committees Acting Without Delegated Authority</u>
The council has no approved or published Terms of Reference for its committees. As a result, it is not possible to determine what authority, if any, has been delegated. Despite this, a committee discussed a specific supplier, recommended a design, and instructed the Clerk to submit information to the s106 panel at NKDC - actions that imply progression of a high-value project without lawful authority. This undermines the audit trail and represents a serious internal-control failure.

<u>Missing or Unapproved Minutes</u>
Some minutes remain unapproved and unpublished, contrary to Schedule 12 of the Local Government Act 1972, which requires minutes to be approved at the next suitable meeting. Inconsistent minute-taking practices, unclear resolutions and missing page numbers further weaken transparency and impede effective scrutiny.

<u>Absence of Key Governance Documents</u>
The council was unable to provide the following documents and these omissions represent significant governance and compliance risks:

- Risk Register
- Health & Safety Policy (legally required for organisations with 5+ workers)
- core Data Protection policies
- ICO-compliant Publication Scheme (required under FOIA s.19)
- Terms of Reference for committees,
- a complete set of Standing Orders and Financial Regulations tailored to the council.

<u>Information Governance and Document Storage Risks</u>
Documents are stored locally on individual devices rather than within the council's Microsoft 365 environment. Statutory documents such as leases, contracts and minutes are not stored in fireproof facilities. This exposes the council to the risk of permanent loss of statutory records, non-compliance with the Local Government Act 1972, and potential failure to respond to FOI or audit requests.

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

Key Governance review

Standing Orders

There are two items listed as Standing order 16. The content page does not correspond with the document's contents. The document still contains some brackets which are intended to be reviewed by the council before adoption. On page 25 there is an irregular reference to '24d' which doesn't fit the rest of the contents.

Changes were recently made to Standing Order 17c but Standing Orders is now inconsistent with the council's adopted Financial Regulations. The changes made to Standing Orders in the latest revision (or on adoption of the NALC model document) are not made explicitly clear and the auditor is therefore unable to determine which version of the document applied at certain times of the year.

The document published on the website is shown in black and white; the document is required to be published in colour because of the coloured key coding throughout the model document.

Financial Regulations

The document has not been fully tailored to the council and still contains brackets [ ] and { }. These are intended to be chosen and / or populated before adoption by a council.

Terms of Reference

Two committees and one working group have been appointed. Terms of Reference have not been provided to the IA and are not published on the council's website. The council's minutes from its meeting on 14th May show that ToR for the Events Working Group were agreed and adopted. However, this document could not be located.

External Audit Report
The final external audit report has not yet been received by PKF Littlejohn. An interim report has been provided and published as required.

Key Governance Review Recommendations

1. Adopt a fully tailored Standing Orders using the latest NALC model, ensuring all brackets and options are completed. Revision history and a list of amendments should be kept so there is a full audit trail outlining the choices of the council and any changes made.
2. Tailor and adopt Financial Regulations, using the latest NALC model ensuring consistency with Standing Orders. Revision history and a list of amendments should be kept so there is a full audit trail outlining the choices of the council and any changes made.
3. Adopt and publish Terms of Reference for all committees and working groups. The council should take care to ensure that these are consistent with any delegations and limits stated within the council's standing orders and financial regulations. These documents should be published on the website.

Transparency

Asset Register
An asset register is in place but is not published. The council has also not published the minimum requirement relating to land and buildings on its website.

Councillor responsibilities
The council has published the chairman and vice-chairman roles on the website but has not published membership of its committees clearly.

Transparency Code

- Minutes - Not all minutes are published within one month of a meeting. Full Council minutes for meetings held on 17th and 24th have not been published at the time of the audit. Finance and Staffing committee minutes from the meeting in August 2025 are not published.
- Senior Officer salaries – Not published. Salaries for senior officers earning over £50,000 per year should be published on the council's website. If this is not applicable, the council should state so.
- Data on issues important to local people – the council does not publish any items in relation to this.
- Contract / procurement information – Not published. The council is required to publish information relating to any contract in excess of £5000.

Transparency recommendations

4. Asset register – Publish the asset register and/or land and buildings required by the Transparency Code. Refer to the Local Authority Transparency Code for full details - https://www.gov.uk/government/publications/local-government-transparency-code-2015/local-government-transparency-code-2015.
5. Publish councillor responsibilities including membership of committees is published on the website.
6. Ensure all minutes are published within one month and approved at the next suitable meeting.

7. Publish in line with the Local Authority Transparency Code including data important to local people, senior officer salaries, procurement and contracts. See above for the link to the transparency Code which outlines in detail what is required.

Accounting

S137

The council relied on powers under s137 for the purchase of a Christmas Tree. Although the purchase of the tree was under the delegation limits for officers, the council should record its reliance on s137 for the expenditure at the next appropriate meeting. The council does record s137 transactions appropriately in the cashbook.

Investment Strategy

The council does not have an investment policy in place. This is a requirement set out in the Practitioners Guide (2.26-2.29, Section 4 Item H & 5.17, 5.29-30, 5.174-5.177, 5.185-5.190).

Accounting recommendations

8. Ensure s137 expenditure is noted in the council's minutes using an appropriate resolution for example as suggested in Charles Arnold Baker. This council should explicitly note when it is relying on the power of last resort and that it meets the tests in relation to benefitting inhabitants of the parish.
9. Adopt an investment strategy.

Budget

Budget setting

The council set a budget in January 2025. However, it is not clear from the minutes whether the budget was approved before setting the precept request.

Budget monitoring

Throughout the financial year the council has not monitored its budget. The RFO reports that whilst a budget figure was set in January 2025 for the financial year in review there were no specific budget headers and corresponding values. As such the RFO has been unable to prepare budget reports and report variances as is required. The RFO reports that this activity will be in place regularly from April 2026.

Budget recommendations

10. Ensure accuracy and clarity of minutes to avoid ambiguity in the council's decision making. The council's minutes are a legal record of the resolutions made and would be relied upon legally in the course of any disputes.
11. Ensure budget monitoring is carried out regularly with variances to budget reported appropriately.

Income control

Sources of income and scale of fees

The council has various sources of income but acknowledges that the scale of fees for most of these have not been reviewed for some time for example from the allotment site and football field. The council is consequently unsure of what income it should be receiving from a number of sources and invoices have not been sent to customers for the demand of payment. Aged debt analysis is also not possible for this reason.

Income control recommendations

12. Approve scales of fees as appropriate. This will ensure that the council can include these income sources in its annual budget setting process and invoice as appropriate and carry out debt analysis.

Bank reconciliation

Bank reconciliations are being carried out regularly and reviewed by members of council and this is minuted activity. The councillor reviewing does not currently sign the bank reconciliation and corresponding bank statements as evidence of the review.

Bank reconciliation recommendations

13. Ensure that bank reconciliations and corresponding statements are signed by the member of council carrying out the review. This provides an audit trail that the review was conducted and is a requirement of the council's Financial Regulations (2.6).

Asset control

<u>Registration with HM Land Registry</u>

Officers were unable to confirm that all land was registered with HM Land Registry.

Asset control recommendations

14. Ascertain whether the council's land is registered with HM Land Registry. Any land not currently registered should be completed.

Risk Management

<u>Risk Register</u>

The council was unable to provide this document to the auditor. The document has therefore not been reviewed. A risk register identifying risks relating to the business continuity of the council is a key document in governance and internal control processes. The council should identify its risks and put appropriate mitigations in place.

<u>Insurance</u>

The council has insurance in place for the financial year and the auditor has seen both the public liability and employer's liability certificates. The RFO notes that the insurance renewal was accepted at a meeting of a council but the council did not review the levels of cover required before accepting the quote. This was due to officers coming into post and insurance renewal being due shortly afterwards. The RFO is aware that determining the levels of cover that the council needs is a requirement in future.

<u>Internal controls being followed</u>

A number of key internal controls are difficult to verify due to inconsistencies and gaps in the council's governance framework. The council's Standing Orders and Financial Regulations contain conflicting requirements, particularly in relation to procurement thresholds, which makes it unclear which controls are being applied in practice. In addition, the absence of approved minutes for several meetings and the lack of formal Terms of Reference for committees weaken the audit trail and make it difficult to confirm whether delegated authority is being exercised appropriately.

While some internal controls appear to be operating, the inconsistencies between governing documents and incomplete records mean the auditor cannot reliably determine whether the council is fully compliant with its internal control framework. Specific procurement-related concerns are reported separately.

Assets inspected / Health and Safety policy

Verbal confirmation was given that assets are being inspected on a regular basis. The auditor has not seen any written documents in this regard. The auditor has not seen a copy of the council's Health and Safety policy and it is not published on the council's website.

File storage and back up

The council has Microsoft 365 for its officers but documents seem to be stored locally on some devices. This puts the council at significant risk in relation to the loss of documents; officers have struggled to locate documents for the internal audit and this could be contributing factor. Similarly, the RFO confirmed that storage of hard files that the council is required to keep by law – leases, minutes, contracts etc – are not currently in fireproof storage. The council is at risk of losing such documents without proper storage arrangements in place.

Risk management recommendations

15. Adopt a risk register covering the risks relating to the business continuity of the council. Guidance on this document can be found in The Practitioners Guide 1.31 to 1.33 and Section 4 Table, Item C.
16. Publish public liability and employer's liability certificates on the council's website and display in the council's buildings.
17. Review levels of insurance cover regularly to determine if sufficient cover is in place.
18. Inspect assets, buildings, land etc regularly; record the inspections in writing and retain all records. This is a key requirement for insurance should the council need to make a claim in relation to public liability or replacement of an asset.
19. Adopt and publish a Health and Safety policy. As the council has in excess of 5 people working (including staff, councillors and volunteers), it is a legal requirement to have this policy in place (Health and Safety at Work Act 1974)
20. Put in place fireproof secure storage and back up arrangements for the council's documents – hard copies and electronic documents.

Proper process / practice

Agenda documents

Agendas are published with the required 3 clear days' notice. However, the council does sometimes rely on a Saturday as a clear day and this is not in line with best practice. Some agenda items lack clarity for example in the January 2026 Full Council agenda, item 15 states *"policies: To adopt any policies drafted since the last meeting. Suggest delegating authority to Committees to deal."* In order to comply with transparency, the council should be clear about which policies it is seeking to adopt when it sets the agenda. Numbering on agendas is found it be inconsistent and not chronological in numerous examples including January 2026.

Minutes

A review of council minutes identified several issues affecting clarity, accessibility and compliance with statutory requirements. Minutes frequently lack page numbers, and resolution numbers are not sequential or consistently applied. In some cases, resolutions are embedded within lengthy narrative text, making it difficult to determine the precise decision of the council. Minute styles also vary significantly between meetings, and some formats in use, such as tables for the main body of the minutes, do not support accessibility or good record-keeping practice.

In addition, minutes from several extraordinary meetings remain unapproved, despite the requirement that minutes must be presented for approval at "the next suitable meeting", whether ordinary or extraordinary. At the time of writing (28 March 2026), some Full Council minutes remain outstanding. Under the Local Government Act 1972, Schedule 12, paragraph 41, minutes must:

- provide a clear record of the proceedings,
- be approved at the next suitable meeting, and
- be signed as a correct record.

The current inconsistencies make it more difficult to follow the council's decision-making and weaken the audit trail.

<u>Procurement and purchasing</u>
The council should ensure that its Standing Orders and Financial Regulations are aligned in respect of procurement thresholds and processes. The recent amendment to Standing Order 17(c) raised the threshold for formal tendering from £35,000 to £150,000. However, Financial Regulation 5.6 continues to require the council to seek three formal tenders or issue an open invitation to tender for all contracts exceeding £35,000.

As Financial Regulations govern procurement and take precedence, the council remains bound by the £35,000 threshold unless those regulations are formally amended. No evidence was found to indicate that the Financial Regulations were updated at the same time as Standing Orders. This inconsistency creates a risk that the council may inadvertently breach its own procurement rules, particularly for contracts valued between £35,000 and £150,000.

The council recently considered the procurement of play equipment valued at £116,000. No evidence was available to show that the council sought three formal tenders or issued an open invitation to tender, as required by Financial Regulation 5.6. Despite this, Full Council subsequently resolved to accept a quotation from a single supplier, subject to the availability of s106 funding. This decision was therefore taken without a compliant procurement process and in apparent breach of Financial Regulation 5.6.

A review of earlier committee minutes shows that a specific supplier was named and advanced for consideration prior to the Full Council meeting. Although the committee did not have documented delegated authority to progress the project, the wording of the minutes suggests that a preferred supplier had already been identified and that steps had been taken to initiate the s106 process. This sequence of events weakens transparency, creates a misleading audit trail, and may undermine the integrity of the procurement process.

Financial Regulation 5.6 states:
"For contracts estimated to exceed £35,000 excluding VAT, the Clerk/Proper Officer with the RFO shall seek formal tenders from at least three suppliers agreed by the council or advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation."

While Financial Regulations 5.11 and 5.12 allow procurement from a single supplier in limited circumstances (e.g. where goods are genuinely only available from one source), these exemptions would not normally apply to play equipment. The market contains multiple reputable suppliers offering comparable products, and it is unlikely that the proposed structure is the only option capable of meeting the council's needs.

The amendment to Standing Order 17(c) has the practical effect of reducing procurement oversight for high-value contracts and may enable the council to proceed with significant expenditure without following the tendering requirements set out in its Financial Regulations. This poses several governance risks, including: non-compliance with Financial Regulations; reduced transparency and competition; weakening of procurement controls through the amendment to Standing Orders; potential challenge from suppliers, residents or auditors; reputational damage arising from perceived weakening of financial governance. This represents a material governance and financial control risk and should be addressed as a matter of priority.

Delegation to officers or committees

The absence of formal Terms of Reference (ToR) for the council's committees significantly weakens the internal control framework. Without approved ToR, it is not possible to determine the scope of delegated authority or whether committees are acting within their remit.

A review of the minutes of the Environment and Planning Committee identified a minute relating to the potential drawdown of s106 funds. The Internal Auditor was unable to locate any corresponding Full Council resolution authorising the drawdown of s106 monies or delegating this authority to the committee. In the absence of ToR, there is no evidence that the committee had the power to consider or progress this matter.

Even if ToR were available, it is highly unlikely that a committee would be delegated authority to draw down s106 funds, which are legally restricted and normally require explicit Full Council approval; or to procure a contract of the value discussed, as this would be contrary to the council's Financial Regulations, which reserve high-value procurement decisions to Full Council.

The lack of clear delegation, combined with incomplete or missing ToR, creates a risk that committees may act outside their authority, and that significant financial decisions may be taken without proper approval or oversight. This undermines the audit trail and weakens the council's internal control environment.

It is noted that the Full Council subsequently resolved to accept a quotation from MacVenture for £116,000, to be funded from s106 monies. While this represents a formal decision of the council, it does not mitigate the earlier internal-control concerns. The committee had already discussed a specific supplier, recommended that supplier, and instructed the Clerk to submit the design and costings to the District Council's s106 panel. This wording strongly suggests that the committee had initiated the s106 process and identified a preferred supplier before Full Council had considered the matter.

The later Full Council resolution does not remove the internal-control breach arising from the committee acting outside its delegated authority, nor does it address the lack of compliance with Financial Regulation 5.6, which requires three formal tenders or an open invitation to tender for contracts exceeding £35,000. The procurement decision therefore appears to have been made without a compliant competitive process and following earlier actions by a committee that had no documented authority to progress the project. Unauthorised decision-making exposes the council to legal challenge, financial loss and reputational damage.

Proper process and practice recommendations

21. Adopt a consistent minute-taking style that:
    - uses chronological and sequential numbering,
    - includes page numbers,
    - records clear and concise resolutions, and
    - avoids formats that hinder accessibility or clarity.
22. Approve minutes at the next suitable meeting. The council should also ensure that minutes of all meetings, including extraordinary meetings, are presented for approval at the next suitable meeting in accordance with Schedule 12 of the Local Government Act 1972.
23. Ensure compliance with procurement internal controls

- Review and reconcile Standing Orders and Financial Regulations to ensure consistent procurement thresholds and processes.
- Reaffirm that Financial Regulations remain the governing document for procurement unless formally amended by Full Council.
- Document clear, lawful, evidence-based justification for any exemptions to tendering requirements, with approval recorded by Full Council.
- Ensure that all high-value procurements, comply fully with Financial Regulation 5.6.

24. Formally approve delegation arrangements and comply appropriately
    - Approve and publish Terms of Reference to clarify delegated authority.
    - Ensure committees act only within their delegated powers
    - Ensure all high-value procurement decisions are made by the Full Council

Payroll / HR

Right to work checks

Officers could not confirm that right to work checks had been undertaken or that they were retained on file (Immigration, Asylum and Nationalist Act 2006 (Section 15 – 25), as amended by the Immigration Act 2016).

Approval of expense claims

Financial Regulations permit officers to claim expenses up to £1,000, provided such claims are made in accordance with the council's expenses policy. However, the council does not currently have an adopted expenses policy, meaning there is no formal guidance on what types of expenditure may be claimed, in what circumstances, or what evidence is required.

The absence of a policy creates inconsistency, increases the risk of inappropriate or disputed claims, and weakens internal controls.

HR Policies and Procedures

The council has adopted and published its Grievance and Disciplinary policies, which is good practice and supports compliance with legal and regulatory requirements. However, the council's Health and Safety Policy was not seen during the audit, and no evidence was provided to confirm that it has been formally adopted.

In addition, the council does not currently have an Expenses Policy, Equality Policy, or other core HR policies that would normally support the effective management of staff and ensure compliance with employment legislation. As a public body, the council is legally required to comply with the Equality Act 2010, and while an Equality Policy is not mandatory, most councils adopt one to demonstrate how they meet their statutory duties.

The absence of a broader suite of HR policies weakens the internal control environment and increases the risk of inconsistent decision-making, employment disputes, and non-compliance with statutory requirements.

Written statement of particulars and employee contracts

The auditor was provided with a copy of an employee's contract of employment and has identified a number of specific concerns. Owing to the confidential nature of employment matters, and because these issues relate directly to individual's contracts, the findings will be reported confidentially and separately from the main internal audit report.

Other HR matters:

- Appraisals were confirmed to be in place and carried out but the council has no adopted policy supporting this process.
- It would be beneficial, in order to support health and safety in the workplace, to complete DSE assessments for employees who spend a good proportion of their day using display screen equipment. This can be a simple self-assessment exercise but the council should keep a record of the assessment and any action taken in relation to it. The council should also ensure that it has appropriate risk assessments in place for other employees' work e.g. the Handyperson.
- Records relating to the Pension regulator and the re-declaration requirement were not seen. Registration with the Pension regulator should be checked and the date of re-declaration of compliance prior to the end of year audit meeting.

Payroll and HR recommendations

25. Complete right to work checks retrospectively and retain on each employee's file as evidence of compliance.
26. Adopt a clear and comprehensive Expenses policy, setting out the types of expenses that may be claimed, the approval process, evidential requirements, and any financial limits. This will provide clarity for officers and strengthen internal controls.
27. Develop and adopt a comprehensive suite of HR policies to support the effective management of employees and ensure compliance with employment law. This should include as a minimum: Health and Safety Policy (required under the Health & Safety at Work Act 1974) and Equality / Equal Opportunities Policy (Public Sector Equality Duty). Other policies recommended are Sickness Absence Policy, Bullying and Harassment / Dignity at Work Policy, Lone Working Policy, Expenses Policy, Performance and Staff Appraisal policy.
28. Adopt a Councillor–Employee Protocol setting out the respective roles, responsibilities and expected standards of behaviour for both councillors and officers. Such a protocol would support good governance, clarify boundaries, and promote effective and respectful working relationships. Adopting these policies will provide clarity for staff and members, strengthen internal controls, and support the council in meeting its legal obligations

Information and data compliance

<u>Website accessibility</u>

The last review of website accessibility statement was in January 2021. The council is required to review this statement on a regular basis. This hasn't been completed within the financial year (to date).

<u>Policies – Data Protection and IT</u>

The council is required to have in place a number of data protection policies which support its information governance procedures. The auditor has not seen any of these policies and they are not published on the website as required. The council has a privacy policy on the website but the last review was May 2018. The council has not adopted an IT policy which is a requirement of the new assertion 10 which is detailed in the Practitioners Guide.

<u>Publication scheme</u>

The council does not have a publication scheme on the website. This is required under Section 19 of the Freedom of Information Act 2000 which states that all public authorities including parish councils must adopt and maintain a publication scheme. The council is required to publish information in accordance with that scheme and the scheme itself should be reviewed periodically.

Information and data compliance recommendations

29. Review the website accessibility statement on a regular basis.
30. Adopt a suite of Data Protection policies. As a minimum, the council needs to have in place a Data Protection Policy covering handling of data breaches, Subject Access Request Procedure, Record Retention schedule and an IT policy. The ICO expects public authorities to

maintain and publish these policies as part of good information governance. An IT Policy is required to meet Assertion 10.

31. Adopt the ICO model publication scheme and tailor this as appropriate to the council. The council should use the model scheme and may only use another template if it has been specifically approved by the ICO for use.

Transaction spot check

Five transactional checks were carried out during the intermediate audit. The final check will be completed at the year-end internal audit meeting. No issues were found with four of the transactional checks. One check related to a salary payment and is recorded in the audit checklist without values to ensure confidentiality. For this transaction, the auditor could not find where the salary payment (on its own or summarised with other salaries to maintain confidentiality) was included within a schedule of payments presented to the council or presented in retrospect having relied upon delegated authority to make the payment. At all times, payments either need to be authorised by the council or reported retrospectively as per Financial Regulations 6.8, 6.9 and 6.10.

Additional areas specific to the council

Allotments

The council has allotments which are leased to individual tenants. The auditor did not see any documents relating to the allotments and cannot verify the position with regard to income, rates and fees set for the leases, the tenancy register or whether there are regular inspections of the site for health and safety purposes.

Recommendations:

That the council reviews every aspect of its allotments. The council must should maintain a tenancy register, issue tenancy agreements, set and review rates and fees for the lease of allotment plots, carry out regular inspections of the site and keep written record or inspections and any actions taken. The council is specifically responsible for the common areas on allotments (i.e. areas which are not leased to tenants – entrances, walk ways etc) and should ensure that these areas remain safe for use. The council should also inspect the allotment plots to check that plots are being maintained in accordance with the tenancy agreement.

Buildings and premises

The council has two buildings which it is responsible for on an operational basis – office/library and the pavilion. The auditor did not see any records in regard to building compliance and a number of recommendations are made.

Recommendations:

- Complete risk assessments for the council's premises including a general risk assessment and fire risk assessments.
- Complete annual/ 6-monthly fire checks at the required intervals by an external contractor (e.g. fire alarm, fire extinguishers, emergency lighting). Records of these inspections should be retained.
- Conduct regular checks on fire safety at regular intervals between the annual / six-monthly checks. These inspections should include emergency lighting (usually monthly), fire alarms (usually weekly) and fire extinguishers (usually monthly). The fire risk assessment for the building should outline the required frequency of these inspections to mitigate any risks identified. The council should retain all such written inspections of its premises on site.
- Provide an accident book and first aid kit where the council has staff or volunteers working in its building. The first aid kit should be inspected at regular intervals to ensure that equipment is not beyond expiry dates and that it is restocked as required.

- Complete a legionella risk assessment for council premises. The risk assessment will identify the risks of legionella developing within the system and appropriate mitigations for these risks. Mitigations may include regular flushing of outlets, temperature checks and water sample checks. Any such checks should b carried out at the required intervals, recorded in writing and retained.
- Display Public Liability Insurance and Employer's Liability Certificates in each premises The council should also ensure that the statutory Health and Safety Executive poster is displayed.
- Ensure gas appliances are inspected annually by a qualified gas engineer. Certificates of safety should be retained.
- Fully identify and understand the legal arrangements for any leases that the council has with third parties such as the village hall and swimming pool. Officers identified a number of lease arrangements for other premises that the council either owns or is the custodian trustee for. Both officers noted that work to identify and understand these arrangements was required.

Concluding comments

Thank you to John and Tony for their cooperation and assistance throughout the internal audit process. Please note that any outstanding checks and specifically the checks relating to year end processes will be completed at the next audit meeting.

This audit has identified significant weaknesses in the council's internal control environment, many of which require urgent attention. The council is progressing a number of projects that are important to both members and residents and tis is commendable; however, without strong governance arrangements and robust internal controls, the council is exposed to unnecessary legal, financial and operational risk.

Some improvements have been made since 2024–2025, particularly in relation to accounting records. A clear audit trail is now evident for financial transactions, supported by retained invoices and a maintained cashbook. These developments are positive and provide a foundation on which further improvements can be built. Continued focus on strengthening governance, compliance and internal controls will be essential to support the council's future decision-making and delivery of its priorities.

-End of Internal Auditor's Report-