



Intermediate internal audit report

This narrative internal audit report is provided following a mid-year review of processes and governance. Further investigation will be carried out following year-end to inform the Annual Internal Auditor's Report for the Annual Governance and Accountability Return.

Council:	Pinchbeck Parish Council
Internal Auditor:	John Kilcoyne
Year Ending:	31 st March 2025
Date of Report	13 th March 2025

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 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 a qualified audit opinion.

To the Chairman of Pinchbeck Parish Council

This report was produced in March 2025 and includes inspection of

- the parish council website
- documents and other information requested from the clerk to council

relating to council business between April 2024 and March 2025. One remote meeting was held with the clerk.

My narrative report for the internal audit 2023-2024 did not identify any recommendations for action. Council practices and procedures continue to be addressed, and the clerk has maintained the progress he has initiated since my first contact with this council. I have examined subsequent council business including policies, agendas and minutes, accounting and financial statements and other documents relevant to this audit.

Council business

Payments are made in accordance with financial regulations and with appropriate authorisations by members of council. Payroll, pension and HMRC payments are dealt with appropriately with the required declarations made to the Pensions Regulator. The asset register is up to date and insurance is adequate for the needs of the council.

The annual budget and precept are approved by council as required. An audit trail of random transactions identified a clear process for authorisation and payment with appropriate invoices and documentation. Evidence has been provided of VAT for reclamation up to the end of October 2024.

Banking continues to cause issues within council and the clerk reports that significant steps have been taken to consolidate multiple accounts with Barclays Bank. The majority of transactions will be transferred to Unity Trust. Issues are still current regarding access to a Barclaycard account. Payments have been made using the clerk's personal account, and clerk and council are aware of the risks associated with this. Application for a new account is in progress.

The clerk has reported that the move to Scribe to support accounts has been smooth and meets the needs of council. The Scribe Cemetery package was not felt to be as useful as had been expected.

Discussion was held around several policies to be introduced covering Training, Grievance, Disciplinary and other HR areas. The clerk's view was that while these are desirable, they are not highest priority and will be addressed in due course.

Minutes of meetings were considered, in particular the wording related to confidential session.

Recommendations

- Investigate model employment policies available from NALC's website and develop a schedule to introduce as required.
- Check that the reasons given for excluding members of the public from council meetings are clearly identified in the minutes.

The clerk and council are to be commended for their diligence in managing the ongoing governance of council.

A further narrative report will be provided to council following completion of the AIAR.

Yours faithfully,

J Kilcoyne

John Kilcoyne

Internal Auditor for Lincolnshire Association of Local Councils

13th May 2025