



Intermediate internal audit report

This narrative internal audit report was provided originally following a mid-year review of processes and governance. Further investigation was 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	27 th May 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 initially produced in March 2025 and revisited in May 2025. It 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. Two remote meetings were 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. Reconciliations are completed with appropriate frequency. 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.

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.

The Annual Parish Meeting for the year under scrutiny was held in March 2025.

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.

Yours faithfully,

J Kilcoyne

John Kilcoyne

Internal Auditor for Lincolnshire Association of Local Councils

27th May 2025

Internal control objective		Yes	No	Not covered	Explanation
A	<i>Appropriate accounting records have been properly kept throughout the financial year.</i>	✓			
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	✓			
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	✓			
D	<i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	✓			
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	✓			
F	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>			✓	Petty cash not held
G	<i>Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</i>	✓			
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	✓			
I	<i>Periodic bank account reconciliations were properly carried out during the year.</i>	✓			
J	<i>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</i>	✓			
K	<i>If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			✓	Correctly identified as not exempt.
L	<i>The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation</i>	✓			
M	<i>In the year covered by this AGAR, the authority correctly provided for a period, for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-2024 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	✓			
N	<i>The authority has complied with the publication regulations for 2022/23 AGAR (see AGAR Page 1 Guidance Notes)</i>	✓			
			Yes	No	Not applicable
O	(For local councils only) <i>Trust funds (including charitable) – The council met its responsibilities as a trustee</i>				✓

Accounting Statements 2024-2025

	Year ending 31 March 2024 (£)	Year ending 31 March 2025 (£)
1. Balances brought forward	432,348	413,277
2. Precept or Rates and Levies	112,236	134,850
3. Total other receipts	112,415	133,339
4. Staff costs	74,790	103,082
5. Loan interest/capital repayments	0	0
6. All other payments	168,931	277,444
7. Balances carried forward	413,277	300,940
8. Total value of cash and short-term investments	383,498	262,790
9. Total fixed assets plus long-term investments and assets	338,371	498,885
10. Total borrowings	0	0

For local councils only	Yes	No	N/A
11. 11a. Disclosure note re Trust funds (including charitable)		✓	
12. 11b. Disclosure note re Trust funds (including charitable)			✓