



Internal Audit Report.

Council:	Heckington Parish Council
Internal Auditor:	Stacey Knowles
Year Ending:	31 st March 2026
Date of Report	17/11/2025

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 Heckington 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: 17th November 2025

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

Recommendations

Key Governance review

It is recommended that:

1. Standing Orders and Financial Regulations are reviewed and the most up to date model template is used. The current version refers to the revoked Public Contracts Regulations 2015.
2. Terms of Reference are reviewed to ensure clarity around a committee's delegated powers and responsibilities. The ToRs should not conflict with the levels of expenditure and other delegated powers provided in the council's existing policies – e.g. Standing Orders and Financial Regulations.
3. The report of the external auditor was not visible on the website at the time of the audit. The clerk advised that there had been an issue with the document uploading and visibility on the website which was not the fault of the clerk. The report had been provided on all parish noticeboards. This is a requirement to fulfil assertion 4 – exercise of public rights (see Practitioners Guide section 5.81.)

Transparency

It is recommended that:

4. Contract or procurement information for any contracts over £5000 is specifically published on the website.

Accounting

It is recommended that:

5. The council adopts an investment strategy/policy as required by the Practitioners Guide.

Risk Management

It is recommended that:

6. Written and recorded inspections of assets take place as frequently as necessary, related to the item and the identified risks. It is important for the council to record this information in writing to provide the necessary evidence to its insurance company should it be required. This includes inspections of street furniture (benches, bins, defibrillators) and play parks or other recreational equipment.
7. The council considers the effectiveness of its committee structure. Committees don't always make decisions with the majority of decisions referred to Full Council for consideration. This means that items are placed on agendas at least twice before decisions are made. It also means that members of Full Council who don't sit on the respective committees are not privy to the information already discussed. The council might consider dissolution of the committees (except for the HR committee which is required) or revising the Terms of Reference to delegate decisions appropriately. Either solution would help to provide clarity for officers of the council when deciding where a particular item should be discussed and resolved.
8. It is also recommended that the council makes it clearer within the minutes when a decision or resolution has been passed. There is considerable narrative in the minutes and it isn't always clear when the council has passed a motion. The primary purpose of the council's minutes is to record its decisions – See Standing Order 3T. The council may wish to adopt a standard approach to recording resolutions e.g. *It was **RESOLVED:** That...* This will help the actual decision stand out in the minutes.

Proper Process / Practice

It is recommended that:

9. The council pays attention to the procurement thresholds in its Financial Regulations. Thresholds have not always been followed which means that some items have been purchased without the required 3 quotes. See Financial Regulation 5.8 and the transactional checks.
10. The council ensures that when a member is co-opted the resolution confirming this is clearly written in the minutes.

Payroll / HR

It is recommended that:

11. The council uses the IR35 public sector off payroll working for client test to help it determine if some contactors meet the definition of employees rather than contractors.

Information and data compliance

It is recommended that:

12. The website accessibility statement is reviewed. Current statement is published but the last review date is July 2021.
13. An IT policy is adopted. This will be required to meet the new requirements of assertion 10, AGAR. Model policies are available to adapt.

Transaction spot check

Three transactional checks were carried out at this meeting. As noted above, the council needs to be cognisant of its procurement thresholds within Financial Regulations. Further, the purchase of Tommy Statues with donations received still requires the council to authorise the expenditure. This sits outside the clerk's delegated authority to incur expenditure as there is no budget for the item - see Financial Regulation 5.15.

Thank you to Heidi for meeting with me and assisting with the mid-year audit. The council has put in place considerable changes since the previous year and has adopted stronger governance and internal control arrangements which are documented and recorded publicly within its minutes. The record and document keeping supports this finding and Heidi should be commended for her work in ensuring good practice is being followed.

The next audit will cover anything outstanding from the mid-year audit alongside checks related to community buildings and allotments if applicable.

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>	For completion at year end
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>	
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>	.
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>	
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>	
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>	
Assertion 7 — Reports from Auditors <i>We took appropriate action on all matters raised in reports from internal and external audit</i>	
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>	
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>	
Assertion 10 - Digital and data compliance <i>We considered and implemented the requirements to protect data and information.</i>	

-End of Internal Auditor's Report-