



## Internal Audit Report.

Council:	Heckington Parish Council
Internal Auditor:	Stacey Knowles
Year Ending:	31 <sup>st</sup> March 2026
Date of Report	01/05/2026

This internal audit has been conducted in accordance with SAPP 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

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### **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: 1<sup>st</sup> May 2026

<b>Area of work checked</b>	<b>Outcome</b>
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	Not applicable
Proper Process/Practice	Weaknesses identified
Payroll/HR	Evidence Produced
Information and Data Compliance	Evidence Produced
Transaction spot checks	Weaknesses identified
Year-end process	Evidence Produced
Allotments	Not applicable
Cemetery/burials	Evidence Produced
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable

## **Report and recommendations**

### **Recommendations from the previous intermediate audit**

The council has made substantial progress in addressing the recommendations from the November 2025 intermediate audit. Nearly all actions have now been completed. Two items remain outstanding:

- Registration of all council-owned land with HM Land Registry.
- Digitisation of cemetery records to ensure long-term resilience and accessibility.

Both items are recognised by the council as ongoing projects requiring time and resource, and work is continuing.

### **Procurement Compliance – Previous Issue**

The previous audit identified that the council had not followed its Financial Regulations in relation to obtaining three quotations for improvement works at the cricket club. This arose from a misunderstanding regarding the nature of the expenditure, which was funded through Section 106 contributions and was in effect a grant to an external organisation.

The council has acknowledged the error and understands that procurement requirements apply irrespective of the funding source or the beneficiary organisation. While the matter

cannot be retrospectively corrected, the council has strengthened its internal controls to prevent recurrence and has demonstrated improved compliance in subsequent procurement activity.

### Further Recommendations

To continue strengthening governance arrangements, the council may wish to consider adopting an Employee / Councillor Protocol. Such a document would clearly set out the respective roles, responsibilities and expected standards of conduct for officers and elected members, supporting effective working relationships and reinforcing good governance.

### Transaction spot checks

Three additional transaction checks were undertaken during this audit. No issues were identified. The Clerk/RFO continues to maintain accurate, well-organised financial records, providing a clear audit trail from council decision-making through to invoice payment. This reflects a strong and consistent approach to financial administration.

The council has made significant and commendable progress in strengthening its governance framework and internal control environment. Regular bank reconciliations, transparent financial reporting and up-to-date policies are now firmly embedded. Heidi's work in addressing both internal and external audit recommendations has been particularly noteworthy. The volume of improvements required was substantial, yet the Clerk/RFO has implemented changes swiftly, effectively and with clear attention to best practice.

Given the progress achieved, the council's recent discussion about applying for the Local Council Award Scheme is well-timed. Pursuing accreditation would be an appropriate way to recognise the improvements made and to benchmark the council's governance standards against sector expectations.

## 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
<p><b>Assertion 1 - Financial management and preparation of accounting statements</b>  <i>We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i></p>	No comments
<p><b>Assertion 2 - Internal control</b>  <i>We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</i></p>	The council is unable to positively assert compliance with this due to the procurement compliance issue noted in November 2025.
<p><b>Assertion 3 - Compliance with laws, regulations and proper practices</b>  <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></p>	No comments

<p><b>Assertion 4 - Exercise of public rights</b>  <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></p>	No comments
<p><b>Assertion 5 — Risk management</b>  <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></p>	No comments
<p><b>Assertion 6 — Internal Audit</b>  <i>We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i></p>	No comments
<p><b>Assertion 7 — Reports from Auditors</b>  <i>We took appropriate action on all matters raised in reports from internal and external audit</i></p>	No comments
<p><b>Assertion 8 — Significant events</b>  <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></p>	No comments
<p><b>Assertion 9 — Trust Funds (local councils only)</b>  <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></p>	No comments
<p><b>Assertion 10 - Digital and data compliance</b>  <i>We considered and implemented the requirements to protect data and information.</i></p>	No comments

-End of Internal Auditor's Report-