



### Internal Audit Report.

Council:	Tallington
Internal Auditor:	Ann Fletcher
Year Ending:	31 <sup>st</sup> March 2026
Date of Report	30/12/2025

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

Internal Audit Report.

**To the Chairman of Tallington 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 identified, I have provided recommendations to improve the weakness identified.

Yours sincerely

*Ann Fletcher*

Internal Auditor

Lincolnshire Association Local Councils

Date:30.12.25

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	Evidence Produced
Accounting	Weaknesses identified
Budget	Weaknesses identified
Income Control	Evidence Produced
Bank Reconciliation	Weaknesses identified
Petty Cash	Not applicable
Asset Control	Evidence Produced
Risk Management	Weaknesses identified
General Administration	Not audited
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	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Evidence Produced
Markets	Not applicable
Other:	Choose an item.
Other:	Choose an item.

### Recommendations (as noted in the LALC checklist)

1. Review, resolve, minute and publish all items that are statutory requirements e.g. ICO publication scheme, risk assessment/register. LALC have useful templates on their website.
2. Document necessary information in the minutes. This gives proof that the action/review etc happened. Use the word “resolved” not “agreed” or similar.
3. Review and amend process for spend/payments and apply consistently. See left hand column of Transaction Spot Check page in the LALC Internal Audit Checklist for guidance which fits in with all regulations including your Financial Regulations. . There is other guidance in the Practitioners Guide 2025. Village Hall payments – if the PC is responsible for making these payments and not the Village Hall Committee, the correct process must be followed as with all spend/payments.
4. Budget setting – use guidance in documents in 7 below. Best practice to have receipts and payments account columns to match budget lines. A budget proposal should not be based on a % increase, rather on previous information, known future spend and projects.

5. Ensure no member of the council joins a meeting remotely as this is unlawful. See note 65 in checklist.
6. Review and implement where appropriate all payroll/HR requirements from the checklist.
7. Financial Regulations, Standing Orders, The Practitioners Guide 2025, the current LALC Internal Audit checklist and LALC's website all have information and templates to help put the above practices in place correctly. You may wish to consider remote training from Scribe Accounting for Parish Councils. Some of their training is for non-members as well as members. Particularly the current budget/precept setting is excellent. I am happy to help your clerk where possible with any queries.

### 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.

<b>Annual Governance Statement Assertion</b>	<b>Internal Auditor comments</b>
<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>	<p>26/27 budget/precept process should follow guidance in the Practitioners Guides and the Financial regulations. Bank reconciliation process does not meet requirements.</p>
<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>	<p>Fin Regs not always adhered to. No risk assessment or management in place for finance related activities. Clearly minute reviewing bank mandates. Pay for employees to be approved in advance and all employment legislation complied with.</p>
<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>	<p>Ensure PC has a lawful power within decision making processes. Statutory requirements should be adhered to e.g. policies.</p>
<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>	

<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>	<p>No risk management in place.</p>
<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>	
<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>	<p>Not all matter raised have been actioned.</p>
<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>	
<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>	
<p><b>Assertion 10 - Digital and data compliance</b>  <i>We considered and implemented the requirements to protect data and information.</i></p>	<p>Publication scheme not in place.</p>

-End of Internal Auditor's Report-