



## Internal Audit Report.

Council:	Tallington Parish Council
Internal Auditor:	Ann Fletcher
Year Ending:	31 <sup>st</sup> March 2026
Date of Report	06/06/2026

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

## 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 'unsatisfactory' I have provided recommendations to improve the weakness identified.

Yours sincerely

***Ann Fletcher***

Internal Auditor

Lincolnshire Association Local Councils

Date: 5.6.26

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 applicable
Proper Process/Practice	Weaknesses identified
Payroll/HR	Weaknesses identified
Information and Data Compliance	Weaknesses identified
Transaction spot checks	Evidence Produced
Year-end process	Evidence Produced
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

1. All medium and high risk items from the internal Auditor's checklist should be actioned by the year end. All external auditor items should be actioned by the year end unless they apply to the previous year's audit and cannot be rectified until the next audit. These items should be discussed at a full council meeting and minuted. Good practice for clerk to draw up a list/action plan to ensure all completed by the year end.
2. Complete and minuted budget review in line with your Financial Regulations.
3. Review bank mandate annually.
4. A resolution should be passed to approve payments and approve the bank reconciliation and noted in the minutes.
5. List ALL bank balances in the minutes, not just main account.#
6. Bank mandate should be reviewed annually. Good practise to do in Annual meeting.
7. Ensure all policies in place e.g. IT policy and Health and Safety policy.
8. Clerk should have a contract in place and have an annual review. There are templates on the LALC website for both of these.

## 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>	<p>Budget procedure for 26/27 undertaken correctly but not for 25/26. Performance not monitored against budget regularly. Bank reconciliation process not fully followed but Council actively working on this.</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>Bank mandate not approved during year. Payment approval process followed on the whole although one new regular payment taken from bank account without any prior approval from the Council.</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>Powers exceeded once by purchasing one small value item with no power to do so.</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>Minor point, pass resolution to approve the notice but overall process followed fully.</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><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 items 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>IT policy not in place</p>

-End of Internal Auditor's Report-