

## Louth Town Council - Internal Audit Checklist 2025/26

<b>Name of Parish or Town Council</b>		Louth Town Council	
<b>Parish Council website</b>		<a href="https://www.louthtowncouncil.gov.uk/">https://www.louthtowncouncil.gov.uk/</a>	
<b>Name of internal auditor</b>		Steve Fletcher	
<b>Date of audit</b>		1 <sup>st</sup> June 2026	
<b>Type of audit</b>		Intermediate and Year-end (including AGAR)	
<b>Council contact information</b>		<b>Name</b>	<b>Email</b>
<b>Clerk</b>	Lynda Phillips		<a href="mailto:clerk@louthtowncouncil.gov.uk">clerk@louthtowncouncil.gov.uk</a>
<b>RFO (if different)</b>	n/a		
<b>Chairman</b>	Cllr D Hobson		<a href="mailto:dhobson@louthtowncouncil.gov.uk">dhobson@louthtowncouncil.gov.uk</a>
<b>Electorate</b>	13,622	<b>Total number of seats</b>	21
<b>Quorum</b>	7	<b>Number of councillor vacancies</b> <small>(at the time of latest audit)</small>	6
<b>Precept Demand 2025/26</b>	£ 349918	<b>Gross budgeted Income</b>	n/a
<b>Date of most recent audit</b>	05.06.2025	<b>Date of next audit</b>	May / June 2027
	<b>Y/N</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous audit reports including the most recent?</b>	Y	Undertaken by same auditor	
<b>Is there evidence that previous internal and external audit reports have been acted upon?</b>	Y	n/a	

Key governance review		Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing orders* (tailored and reviewed)	Y	Reviewed and updated during 2025/26	✓		
2	Financial regulations* (tailored and reviewed)	Y	Reviewed and updated during 2025/26	✓		
3	Terms of reference (ToR) (committees / working groups)	Y	Reviewed and updated during 2025/26	✓		
4	Code of Conduct* (elected members)	Y	Reviewed and updated during 2025/26	✓		
5	Complaints procedure (tailored and reviewed)	Y	Reviewed and updated during 2025/26	✓		
6	Insurance Cover <ul style="list-style-type: none"> <li>• Reviewed annually</li> <li>• Certificate(s) viewed &amp; valid</li> <li>• Employees' Liability Cover in place and published</li> <li>• Public Liability Cover</li> <li>• Employees' Fidelity Guarantee</li> <li>• Councilor's ages reviewed and recorded</li> <li>• Other e.g. vehicles, assets, equipment, volunteers ...</li> </ul>	Y Y Y Y Y Y	Renewed: April 2026	✓		

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
7	Internal controls (statement or review)	Y	Policy – annual review / updates	✓		
8	Investment strategy	N	Ongoing process due to internal matters.	✓		
9	Publication scheme (reviewed)	Y	Reviewed and updated during 2025/26	✓		
10	Risk assessment (statement or review)	Y	Risk Register - Reviewed and updated during 2025/26	✓		
11	Pay policy (staffing - reviewed)	Y	No policy - Staff T&C's based on NJC / NALC / Green book	✓		
12	Spending authorised	Y	Evidenced – website / minutes	✓		
13	Procurement correctly administered	Y	No procurement during 2025/26	✓		
14	Land and assets (reviewed)	Y	Part of insurance review process	✓		
15	Adequate GDPR policy / procedures in place	Y	Evidenced – website	✓		
16	Arrangement for inspection of public records adequate*	Y	Certificate displayed on website	✓		
<b>Transparency codes mandatory for councils with turnover under £25k and over £200k – Best Practice for all councils</b>						
17	All items of expenditure above £100 published by 1 July	Y	Evidenced – website / minutes	✓		
18	End of year accounts published by 1 July*	Y	Evidenced - website	✓		
19	Annual Governance statement published by 1 July	Y	Evidenced - website	✓		
20	Internal audit report published by 1 July*	Y	Evidenced - website	✓		
21	Councillor responsibilities published by 1 July	Y	Evidenced - website	✓		
22	Asset register published by 1 July*	Y	Evidenced - website	✓		
23	Agendas and meeting papers published within three clear days*	Y	Evidenced - website	✓		

24	Draft minutes published within one month of the meeting	Y	Evidenced - website	✓		
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Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y	Evidenced – Files / PC	✓		
26	Arithmetically correct (checks / balance)	Y	Evidenced – Files / PC	✓		
27	Evidence of internal control (reconciliation checked)	Y	Evidenced – Files / PC	✓		
28	VAT <ul style="list-style-type: none"> <li>evidence of recording</li> <li>evidence of reclaiming</li> </ul>	Y	Evidenced – Files / PC	✓		
29	All payments supported by authorised, minuted invoices	Y	Evidenced – Files / PC	✓		
30	s.137 <ul style="list-style-type: none"> <li>Recorded separately within accounts</li> <li>Within legal threshold limits for the current year</li> <li>Spend in accordance with legislation</li> </ul>	Y	Evidenced – Files / PC	✓		
31	Payments made in accordance with financial regs <ul style="list-style-type: none"> <li>Cheques</li> <li>Online banking</li> <li>BACS</li> <li>Direct Debit</li> <li>Credit or debit cards</li> </ul>	Y Y Y Y Y n/a	Evidenced – Files / PC	✓		

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept	Y	Evidenced – website / minutes	✓		
33	Precept demand properly minuted	Y	Evidenced – website / minutes	✓		
34	Earmarked reserves reviewed	Y	Reviewed Quarterly FOG / TC	✓		
35	Budget is monitored regularly with variances reported to council in line with Financial regulations	Y	Evidenced – website / files / PC	✓		

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
36	Income properly recorded and banked promptly	Y	Evidenced – website / files / PC	✓		
37	Precept income received in bank account	Y	Evidenced – website / files / bank statements	✓		
38	Effective security of cash and cash transactions	Y	Petty Cash / minimal physical ‘cash’ income	✓		
39	Effective security of card transactions	n/a		-	-	-

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y	Evidenced – Minutes TC & FOG	✓		
41	Balancing entries (adjustments) explained	Y	No adjustments during 2025/26	✓		
42	Bank mandate up to date • Evidence of signatories		Approved at annual meeting 2025/26	✓		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	Y	Evidenced – files / minutes	✓		
44	Petty cash spending supported by VAT receipt(s)	Y	Evidenced – files / minutes	✓		
45	Petty cash reported to Council	Y	Evidenced – files / minutes	✓		
46	Petty cash float reconciled/reimbursed	Y	Evidenced – files / minutes	✓		

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
47	Accounting according to <ul style="list-style-type: none"> <li>Income and expenditure</li> <li>Receipts and payments</li> </ul>	Y	Reviewed by FOG / TC	✓		
48	Bank statements reconcile to ledger	Y	Evidenced files	✓		
49	Robust audit trail evident	Y	Evidenced files	✓		
50	Debtors and creditors recorded	Y	Evidenced files	✓		

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
51	Register of assets <ul style="list-style-type: none"> <li>Reviewed</li> <li>Up to date</li> </ul>	Y	Evidenced – minutes	✓		
52	Assets inspected and Health & Safety issues considered <ul style="list-style-type: none"> <li>Play equipment</li> <li>Street furniture</li> <li>Fire safety</li> <li>Defibrillators</li> <li>Other - Buildings</li> </ul>	Y n/a Y Y n/a Y	Evidenced – website and supporting documentation.	✓		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Evidence of unusual activity from minutes	Y	None evident	✓		
54	Annual risk assessment undertaken as a minimum	Y	Evidenced – website / files	✓		
55	Financial controls and procedures documented	Y	Evidenced – website / files	✓		
56	Regular financial reporting to Council in line with financial regulations	Y	Evidenced – website / files	✓		
57	Reporting of bank balances minuted	Y	Evidenced – website / files	✓		
58	Grants ratified and minuted according to policy	Y	Evidenced – website / files	✓		

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
59	Back up of files adequate	Y	Back-up server / cloud and hard drive	✓		
60	Storage of files (paper and electronic) adequate	Y	Evidenced – website / files Effective storage of [original] burial records now in fireproof cabinet.	✓		
61	Local Council Award Scheme <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul>	N	Ongoing consideration	✓		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
<b>62</b>	Employee posts properly recorded <ul style="list-style-type: none"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff</li> <li>• Other</li> </ul>	Y	NALC / NJC Contracts of employment	✓		
<b>63</b>	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on website</li> <li>• reviewed regularly</li> </ul>	Y	Evidenced website	✓		
<b>64</b>	Declarations of acceptance of office* <ul style="list-style-type: none"> <li>• New councillor</li> <li>• Chairman</li> </ul>	Y	Evidenced – website (agenda) / files	✓		
<b>65</b>	Co-options according to policy	Y	Evidenced – website	✓		
<b>66</b>	Agenda documents correct and published*	Y	Evidenced – website / files	✓		
<b>67</b>	Minutes correct / signed and published*	Y	Evidenced – files	✓		
<b>68</b>	Purchase order system used/correct	n/a	Verbal / email orders placed	✓		
<b>69</b>	Purchasing authorised in line with Financial regs / limits	Y	Evidenced website / Fin Regs /minutes	✓		
<b>70</b>	Council operating within legal powers	Y	Evidenced agendas / minutes	✓		
<b>71</b>	Delegation to officers or committees <ul style="list-style-type: none"> <li>• Scheme of delegation</li> <li>• Limits set out in financial regulations and / or standing orders;</li> <li>• adhered to;</li> <li>• reported adequately</li> </ul>	Y	Standing Orders Contract(s) of employment	✓		

		Y/N	Comments & recommendations	Risk		
				Low	Med	High
72	Contracts of employment for all staff	Y	Evidenced – files	✓		
73	Written statement of particulars for all staff from day one (April 2020 onwards)	Y	Evidenced – files	✓		
74	Proper procedures for payroll, PAYE & NI	Y	Evidenced – files / financial records	✓		
75	PAYE & NI payments verified	Y	Evidenced – files / financial records	✓		
76	Approval of salaries and increments	Y	Evidenced – files / financial records	✓		
77	Approval of expense claims	Y	Evidenced – files / financial records	✓		
78	Minimum wage threshold met	Y	Evidenced – files / financial records	✓		
79	HR procedures and policies adopted / reviewed	Y	Evidenced – files / financial records	✓		
80	Training policy and record staff /elected Members	Y	Evidenced – files / financial records	✓		
81	Qualified Clerk <ul style="list-style-type: none"> <li>• CiLCA 2015 or later</li> <li>• Level 4 Community Governance or higher</li> </ul>	n/a	The clerk has attended CiLCA training and registered for CiLCA qualification	✓		
82	Annual appraisal(s) undertaken	Y	Undertaken during 2025/26	✓		
83	Job description(s) up to date / reviewed	Y	Undertaken during 2025/26	✓		
84	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> <li>• <a href="#">Display Screen Equipment</a></li> </ul>	Y	Undertaken during 2025/26	✓		
85	Registered with The Pensions Regulator*	Y	Evidenced - files	✓		

## Transaction spot check 2025/26

Check number	1	2	3	4	5	6
Invoice date	01.04.2025	25.05.2025	29.07.2025	22.09.2025	26.11.2025	27.02.2026
Company	ICCM	DST Holdings Ltd	SLCC	PKF Littlejohn	Louth Building Supplies	Zurich
Reference / Cheque number	OP 352	DC 6	DC 10	OP 499	OP 571	OP 631
Purpose	Subscription	Extension Lead	CiLCA Fees	External Auditor Fees	General Supplies	Cemetery Vehicle Insurance
Delivery evidence	✓	✓	✓	✓	✓	✓
Payment minuted/reconciled	Y	Y	Y	Y	Y	Y
Invoice value (£)	105.00	19.99	450.00	1008.00	328.46	567.05
Minute value agrees	✓	✓	✓	✓	✓	✓
Payment value agrees	✓	✓	✓	✓	✓	✓
Statement value agrees	✓	✓	✓	✓	✓	✓
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded (£)	n/a	3.33	n/a	168.00	54.74	n/a
S137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	n/a
S137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes						

Year End Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
98	Accounting method correctly applied <ul style="list-style-type: none"> <li>Income and expenditure – <i>mandatory over £200k for 3 years</i></li> <li>Receipts and payments</li> </ul>	Y	Satisfactorily evidenced	✓		
99	Bank statement opening and closing balances reconcile to cash book / ledger.	Y	Satisfactorily evidenced	✓		
100	Robust audit trail evident	Y	Satisfactorily evidenced	✓		
101	Debtors and Creditors recorded (I&E accounting method only)	Y	Satisfactorily evidenced	✓		
102	Asset register updated for current and previous year balances	Y	Satisfactorily evidenced	✓		
103	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 <sup>st</sup> March on DMO website. (TPG5.70) <i>Arrangement fees are treated as administrative expenses in year of receipt.</i>	n/a	n/a	-	-	-
104	Lending <i>-check if any lending has taken place and is accounted for as specified in TPG.</i>	n/a	n/a	-	-	-
105	Explanation of Variances completed in sufficient detail	Y	Satisfactorily evidenced	✓		
106	Intermediate audit recommendations implemented	Y	Satisfactorily evidenced	✓		
107	Annual Accounting Statement rounding applied/adds up	Y	Satisfactorily evidenced	✓		
108	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures	n/a	n/a			
109	Previous year 'Restatements' correctly identified	Y	Satisfactorily evidenced	✓		
110	Auditor's recommendations for completion of the Annual Governance Statement <i>(if applicable)</i> and narrative report needed to explain IA Annual Statement's 'No' entries.	n/a	n/a	-	-	-

## Appendix: additional areas for audit

	Allotments (externally managed)	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
<b>A1</b>	Income for allotment rentals balance	Y		✓		
<b>A2</b>	Fees charged in accordance with approved rates	Y		✓		
<b>A3</b>	Up to date occupancy details kept and securely retained	n/a	Externally managed	-	-	-
<b>A4</b>	Agreements/licences issued to all plot holders	n/a		-	-	-

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
<b>B1</b>	Cemetery accounts balance	Y		✓		
<b>B2</b>	Fees charged in accordance with approved rates	Y		✓		
<b>B3</b>	All interred ashes have certificates of cremation	Y		✓		
<b>B4</b>	Permits properly documented and stored	Y	Fireproof container purchased - (note: cemetery records are also held electronically)	✓		
<b>B5</b>	Cemetery regulations adopted and up to date	Y		✓		
<b>B6</b>	Registers of burials and purchased graves completed correctly and stored safely	Y		✓		
<b>B7</b>	Burial certificates issued correctly	Y		✓		
<b>B8</b>	Green slips returned appropriately to Registrar	Y		✓		
<b>B9</b>	Legible cemetery burial plan up to date <ul style="list-style-type: none"> <li>backed up if appropriate</li> </ul>	Y		✓		
<b>B10</b>	Business rates exemptions correctly applied	n/a		✓		

	Charities	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately	n/a		-	-	-
C2	Independently audited	n/a		-	-	-
C3	Returns filed within legal time limits	n/a		-	-	-

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1	n/a	n/a	-	-	-	-

	Market s	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
M1	n/a	n/a	-	-	-	-

	Other	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
O1	n/a	n/a	-	-	-	-

## Endnotes

High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.

**1 High risk** – these items should be dealt with as a **high priority** because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners' Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution or legal action.

**Medium risk** – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners' Guide, and to improve procedures that should be in place.

**Low risk** – these items are usually **best practice** to improve governance, internal control, transparency, efficiency and effectiveness.

\*-Asterisked items are statutory requirements and should be in place where applicable.