

9 Smithfield
North Thoresby
DN36 5RU
16 April 2025

Councillor Waite
Chair of North Kelsey Parish Council

Dear Councillor Waite,

Re: Internal Audit 2024-25

Thank you for inviting me to conduct the council's Internal Audit for 2024-25.

The checklist on the following pages shows the items that have been considered, together with any recommendations.

In summary, the only items of note are as follows:

Key Documents

These are in place but the published versions on the website have review dates that are overdue. It may be the case that they have been reviewed but no changes made. If this is the case, then the review dates should be updated on the website.

Transparency

Some of the documents that must be published as part of the 2023-24 are missing. These are the Internal Auditor page of the AGAR, an explanation of variances and a bank reconciliation.

2024-25 Annual Return (AGAR)

The required documents have been prepared well ahead of the submission date. I have recommended one alteration on the Accounting Statements since WLDC pay £100 Council Tax Grant which should not be included in the Precept figure.

Overall, the council is compliant in most matters, with only a few tweaks recommended, as above.

Finally, I would like to offer my thanks to the Clerk for their co-operation in providing requested documents in a timely manner.

Yours Sincerely,

Tony Shaw

Internal Audit Report for 2024-25

Council Information	
Parish Council	North Kelsey
Website	www.north-kelsey.parish.lincolnshire.gov.uk
Chair	David Waite
Clerk/RFO	Mandy Coote
Clerk's Email	clerk@northkelseyparishcouncil.gov.uk

Key Documents		
	Y/N	Notes
Standing Orders	Y	Latest review Nov 2023. Recommend adoption of new Standing Orders being released April 2025.
Financial Regulations	Y	Latest review Nov 2023. Recommend adoption of new Financial Regulations released late 2024.
Code of Conduct	Y	Adopted WLDC code of conduct
Complaints Procedure	Y	Was due review June 2024
Publication Scheme	Y	Was due review May 2024
Data Protection	Y	Was due review March 2024
Risk Management	Y	Two Risk policies are published. One of these should be removed. The latest version is published as a Word document and needs republishing as a PDF
Committee Terms of Reference	Y	Personnel Committee TORs exist. Recommend publishing on the website
Contact Details Online	Y	All contact via the Clerk

Transparency including 2023-24 AGAR Requirements		
	Y/N	Notes
Agendas published (with 3 clear days' notice)	Y	
Minutes published (within 1 month)	Y	
Asset Register published (by 1 Jul)	Y	Asset Register published as a Word document. Needs republishing as a PDF.
AGAR Internal Audit Report published (by 1 Jul)	N	IA page of the AGAR needs to be published by 1 Jul
AGAR Annual Governance Statement published (by 1 Jul)	Y	
AGAR Accounting Statements published (by 1 Jul)	Y	Tagged on to the "Annual Governance" document. Would be better published as a separate document or retitle the combined document.

End of Year Accounts published (by 1 Jul)	Y	Published twice. Could lead to confusion.
Explanation of Variances (by 1 Jul)	N	2023-24 AGAR shows variances of >15% that required explanation
Bank Reconciliation published (by 1 Jul)	N	
Certificate of Exemption published (by 1 Jul)	N/A	Not applicable
Notice of Public Rights published (by 1 Jul) and correctly dated	Y	
Past 5 Years Annual Returns published online	Y	
External Audit Report published (by 30 Sept)	Y	

Accounts and Banking		
	Y/N	Notes
Accounts accurate and balance	Y	Finance Workbook uses Payments and Receipts
VAT recorded	Y	Evidenced in Finance Workbook
VAT reclaimed	Y	Last claim May 2024
S137 recorded	Y	
All payments approved	Y	Minutes of some meetings at the start of 2024/25 show the approval of payments, but a list of what was approved has not been published. This appears to have been remedied later in the year.
Payments in accordance with Financial Regulations	Y	
Bank Reconciliations produced and variances explained	Y	
Internal Controls in place	Y	Moved to Unity Bank with levels of authorisation.
Bank Mandate up to date	Y	

Budgeting		
	Y/N	Notes
Annual Budget prepared	Y	Budget for 2025/26 approved Dec 2024 but needs publishing
Precept approved by full council	Y	Approved Dec 2024
Precept received matches prior year's submission form	Y	
Earmarked Reserves reviewed	Y	
Regular budget monitoring	Y	Evidenced in minutes

Petty Cash		
	Y/N	Notes
Cashbook maintained	N/A	No petty cash
Petty Cash spending authorised	N/A	No petty cash
Petty Cash VAT receipts obtained	N/A	No petty cash
Petty Cash reported to Council	N/A	No petty cash
Petty Cash Float reconciled regularly	N/A	No petty cash
Cash stored securely	N/A	No petty cash

Risk Management		
	Y/N	Notes
Appropriate levels of insurance are in place	Y	Links on website do not work. Recommend publishing the certificates of insurance.
Risk Management reviewed annually	Y	Next review Oct 2025
Assets inspected for Health & Safety risks e.g. play equipment, defibrillators	Y	Working group carries out inspections and provide monthly reports to the clerk.
Finances reported in line with Financial Regulations	Y	

Miscellaneous		
	Y/N	Notes
General Power of Competence adopted and correctly renewed	N	
Council paperwork stored securely	Y	No council office. Paperwork is securely locked away at Clerk's home
Council electronic information stored securely and backed up regularly	Y	Laptop is password protected and backed up regularly

Proper Practice		
	Y/N	Notes
Agendas correctly presented	Y	
Minutes correctly written, approved and signed	Y	
Co-option according to policy	N/A	No co-options in 2024/25. No co-option policy.
Declaration of Office signed and retained (Councillors and Chair)	Y	
Members' Register of Interests published online	Y	

Council operating within legal powers	Y	
Delegation to Officers or Committees documented	Y	Scheme of Delegation exists. Was due review in Dec 2023.

HR and Payroll		
	Y/N	Notes (applies to all staff)
HR Committee exists	Y	
Job Description up to date	Y	
Contract issued	Y	
Payroll is adequately managed	Y	Clerk uses HMRC Basic Tools. HMRC evidence present.
Payslips Present	Y	
HMRC Summaries Present	Y	
Staff overtime and expenses approved	Y	Approved in the minutes.
Staff increments approved	Y	
Annual Leave recorded and approved	Y	
Annual Appraisal undertaken	Y	
HR Policies exist	Y	Grievance and Disciplinary policies published
Pension provision adequate	N/A	Clerk opted out
Pension administration up to date (Pensions Regulator)	Y	

2024-25 Annual Return (AGAR)		
	Y/N	Notes
Previous year figures correctly stated	Y	
Previous year-end balance brought forward correctly	Y	Box 1 = £54,044
Precept correct as per bank statements	N	Box 2 says £21,900. Precept received is £21,800. Additional £100 should be coded as "Council Tax Support Grant", not "Precept".
Cash balance matches bank statement on 31 Mar	Y	Box 8 = £54,826
Accounts balance matches Cash balance	Y	Box 7 = Box 8
Variances explained	Y	
Notice of Public Rights published	N	Notice of Rights for 2024-25 not yet due
Bank Reconciliation completed	Y	Bank recon from finance workbook is complete but the PKF Bank Recon form will also need completing
Asset Register equates to prior year value adjusted for additions	Y	

and disposals		
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Transaction Spot Checks		
	1	2
Item Type	VAT	Non-VAT
Accounts Description	Speed Radar	Annual Insurance
Invoice Date	28 Sep 2023	1 May 2024
Invoice Amount	2,807.99	690.96
Minutes Reference	006/2425	Not presented
Minutes Amount	2,807.99	Not presented
Bank Statement Date	18 Apr 2024	31 May 2024
Bank Statement Amount	2,807.99	690.96
Timely Payment	No – over 6 months from invoice to payment	Yes
VAT Recorded	Yes (468.00)	Not Applicable
Notes		<p>April minutes show payments 001 2425 to 010 2425.</p> <p>May minutes show payments 022 2425 onwards</p> <p>Payments 011 to 021 appear to be missing</p>

Transaction Spot Checks		
	3	4
Item Type	Direct Debit	Payroll
Accounts Description	Water Cemetery	Salary March 25
Invoice Date	1 Apr 2024	Payslip Month 12
Invoice Amount	13.83	411.45 (on Payslip)
Minutes Reference	006/2425	234/2425
Minutes Amount	13.83	411.65
Bank Statement Date	2 Apr 2024	28 Mar 2025
Bank Statement Amount	13.83	411.45
Timely Payment	Automatic Payment	Yes
VAT Recorded	Not Applicable	Not Applicable
Notes		Minutes overstated amount by 20p