

Annual Internal Audit Report 2025/26

Navenby with Skinnard Parish Council - L10256

<https://navenby.parish.lincolnshire.gov.uk/> ABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).
Date(s) internal audit undertaken Name of person who carried out the internal audit

17/04/2026 20/04/2026 28/05/2026 Kirsty Sinclair OF INTERNAL AUDITOR

Signature of person who carried out the internal audit *Kirsty Sinclair* Date 28/05/2026

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).
**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).




Internal Audit Report.

Council:	Navenby with Skinnard Parish Council
Internal Auditor:	Kirsty Sinclair
Year Ending:	31 st March 2026
Date of Report	28/05/2026

This internal audit has been conducted in accordance with SAPPP 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.


M J BURT.
CHAIRMAN NAVENBY PC.
4 JUNE 2026

Susan Letham
RFO Navenby P.C
4th June 2026.

Lincolnshire Association of Local Councils

Internal Audit Report.

To the Chairman of Navenby with Skinnard 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.

I would like to highlight the concerns surrounding HR matters including no current employment contracts being in place. This leaves the Council open to several risks and legal uncertainty. I would recommend that Council look to appoint a HR committee and resolve these issues as soon as possible.

Yours sincerely

Kirsty Sinclair

Internal Auditor

Lincolnshire Association Local Councils

Date: 28/05/2026

Area of work checked	Outcome
Implementation of previous auditor recommendations	Evidence produced
Implementation of previous AGAR weaknesses/ recommendations	Evidence Produced
Key Governance Review	Weaknesses identified
Transparency	Weaknesses identified
Accounting	Weaknesses identified
Budget	Weaknesses identified
Income Control	Evidence Produced
Bank Reconciliation	Weaknesses identified
Petty Cash	Not applicable
Asset Control	Weaknesses identified
Risk Management	Weaknesses identified
General Administration	Evidence Produced
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	Evidence Produced
Charities	Evidence Produced
Community Buildings	Evidence Produced
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable

Recommendations

1. Council should seek to appoint a HR committee to resolve all HR issues, including issuing of employment contracts, written statement of particulars and ongoing staffing reviews and support. Effective management of employees, including good line management systems, has benefits to both council and the employees.
2. Council to put employment contracts in place as a priority. Employment contracts are a legal requirement and by not having these signed, the council puts itself at high risk to legal disputes.

3. Timesheets submitted to the external payroll provider are not checked by council. Although salary payments are reviewed at each full council meeting, a detailed payroll report should be presented and checked as stated in the council's Internal Control Statement.
4. The arrangement for public inspection has the date of announcement incorrectly shown as same day as inspection period. The date of announcement should be at least a day before the inspection period. The inspection period decided should also be included in the minutes.
5. Recommendation to review the asset register to ensure that it contains no charity assets as these should be accounted for separately.
6. Although council does not fall under the Transparency Code for Smaller Councils, I would recommend publishing draft minutes within 30 days as best practice. Additionally, on the website, some dates in the December 25 minutes would appear to be inaccurate and show as draft. There were no November minutes online at the time of audit.
7. Recommendation to always have a minimum of 3 signatories on the bank mandates. At the time of audit, there was only one signatory. However, the RFO did produce evidence of an application to add two additional signatories.
8. Council must look to adopt an Investment Strategy as set out in The Practitioners Guide for councils who have funds of over £100,000. There is a note within the Financial Regulations regarding this not being required, however, as the council has a precept of over £100,000 a full strategy must be adopted.
9. Budget reviews are currently carried out at midyear and during budget setting by the Chair. Recommendation that the RFO present budget monitoring reports quarterly as best practice and as stated in the Council's Standing Orders under 17.3.
10. I would recommend that all land and property assets are checked and where applicable, registered with the Hm Land Registry. The only evidence of assets registered was the new Venue.
11. The Venue deeds show the building is owned by the Parish Council, not the Charity. However, the Council pays rent to the Charity for use of the offices. No lease or hire agreement was evident. I would recommend this arrangement be reviewed to ensure a robust audit trail is in place and all transactions and accounts for the Council and the Charity are transparent.
12. It is recommended that any internal asset inspections that are conducted are recorded and any works and/or damage be recorded for evidence.
13. Public sessions are currently held during the council meeting. Recommendation that the public sessions are held before the official business of the council commences.

14. The website link to the Members' Interests does not take you directly to the relevant pages. Additionally, it is showing the RFO as the Clerk. I recommend the link be updated and a request to NKDC be sent to update the Clerk's details.
15. During the audit, it was advised that another Internal Auditor had been instructed to conduct the 25-26 audit. There was no evidence of this appointment within the minutes. Internal Auditors should be appointed by full council and minuted, usually on an annual or bi-annual basis depending on the appointment.
16. A council of this size may wish to consider the benefit of appointing other committees with delegated powers. Committees may help council to manage their functions and responsibilities more effectively and can aid with transparency and accountability by regularly reporting to council.
17. Staff probation reviews and appraisals are not in place. Recommendation that a HR Committee be formed to carry out regular staffing reviews.
18. Recommendation that council adopt an IT policy to aid with compliance with the new assertion 10 rules.
19. The premise licence for the Venue is currently in the Parish Council name. Recommend that this be changed to the charity name so it can be accounted for separately.