



INTERNAL AUDIT

Parish Council

Internal Auditor – R Shaw
audit@iaudits.uk

Internal Audit Checklist 2025-26

Name of Parish or Town Council	Your Parish Council		
Parish Council website			
Name of internal auditor	R Shaw – i-Audit		
Date of audit			
Type of audit (Please tick)	Intermediate		Year-end (including AGAR)
Council contact information	Name	Email	
Clerk			
RFO* if different			
Chairman*			
Electorate		Total number of seats	
Quorum		Number of councillor vacancies	
Precept Demand 2025/26		Gross budgeted Income	
Date of most recent audit	Audit completed xxxx by an independent person (seen)	Date of next audit agreed with the Clerk	
	Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?			
Is there evidence that previous internal and external audit reports have been acted upon?			

Key governance review		Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing Orders (tailored and reviewed)					
2	Financial Regulations* (tailored and reviewed)					
3	Terms of reference (committees/working groups)					
4	Councillors' Code of Conduct*					
5	Complaints procedure* (tailored and reviewed)					
6	Insurance Cover <ul style="list-style-type: none"> • Reviewed annually • Certificate(s) viewed & valid • Employees' Liability Cover in place and published* • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded • Other e.g. vehicles, assets, equipment, volunteers ... 					
7	Council contact details are available online					
8	Up-to-date employment contracts for all staff					
9	Publication scheme in place*					
10	GDPR policies in place* <ul style="list-style-type: none"> • Record Retention Schedule • Data Breach Assessment • Process for dealing with a Subject Access Request • Security Compliance Checklist 					
11	Arrangement for inspection of public records adequate*					
12	External audit report published by 30 Sept (if relevant)*					

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*					
14	Annual Governance statement published by 1 July* • Correctly claimed exemption from audit (if relevant)					
15	Internal audit report published by 1 July*					
16	Agendas and meeting papers published within three clear days*					
17	Past 5 years of annual returns available online*					
18	Asset register published by 1 July*					
Councils under £25K turnover and over £200K (Best Practice for those under £200K):						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)					
20	Councillor responsibilities published by 1 July					
21	Draft minutes published within one month of the meeting					
Councils over £200K turnover:						
22	Senior officer salaries published*		N/A			
23	Data on issues important to local people (e.g., parking, grants)*		N/A			
24	Procurement information over £5,000 published*		N/A			

Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook is maintained and up to date					
26	Arithmetically correct (checks/balances)					
27	Evidence of internal control VAT*					
28	• evidence of recording • evidence of reclaiming					
29	All payments are supported by authorised, minute-invoiced invoices					
30	s.137* • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation					
	Payments made in accordance with Financial Regulations • Cheques • Online banking 31 • BACS • Direct Debit • Credit or debit cards • Other payments					

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*					
33	Precept demand properly minuted*					
34	Earmarked reserves reviewed					
35	Budget is monitored regularly, with variances reported to the council in line with Financial Regulations • Variances from the budget explained					

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
36	Income is properly recorded and banked promptly					
37	Precept income received in the bank account					
38	Effective security of cash and cash transactions					
39	Effective security of card transactions					

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation					
41	Balancing entries (adjustments) explained					
42	Bank mandate up to date • Evidence of signatories					

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

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to • Income and expenditure • Receipts and payments					
49	Bank statements reconcile to the ledger					
50	A robust audit trail is evident					
51	Debtors and creditors recorded					
52	Other					

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* • Exists • Reviewed • Up to date					
54	Assets inspected and Health & Safety issues considered* • Play equipment • Street furniture • Fire safety • Defibrillators • Other					

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk Register / Management scheme in place					
56	Annual risk assessment undertaken as a minimum					
57	Financial controls and procedures are documented					
58	Regular financial reporting to the Council in line with Financial Regulations					
59	Reporting of bank balances minuted					
60	Grants ratified and minuted according to policy					
61	Evidence of unusual activity from minutes					

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	General Power of Competence <ul style="list-style-type: none"> • Council eligible • General Power of Competence adopted/ up to date 					
63	Back up of files is adequate					
64	Storage of files (paper and electronic) is adequate					
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 					
66	Website Accessibility Statement published online*					

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
67	Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none">• Proper Officer (Clerk)• RFO• Deputy Clerk• Admin assistant• Site staff• Other					
68	List of Members' interests* <ul style="list-style-type: none">• displayed on the website• reviewed regularly					
69	Declarations of acceptance of office* <ul style="list-style-type: none">• New Councillor• Chairman					
70	Co-options according to policy					
71	Agenda documents correct					
72	Minutes correct / signed*					
73	Council-owned email address account is in place					
74	Purchase order system used/correctly					
75	Purchasing authorised in line with Financial regs/limits					
76	Council operating within legal powers* • Legal powers identified in minutes					
77	Delegation to officers or committees <ul style="list-style-type: none">• Scheme of delegation• Limits set out in financial regulations and/or standing orders;• adhered to;• reported adequately					

Payroll & HR		Y/N	Comments & recommendations				Risk		
							Low	Med	High
78	Written statement of particulars for all staff from day one (April 2020 onwards)*								
79	Proper procedures for payroll, PAYE & NI*								
80	Is payroll an in-house or external provider used?		In-house		External				
81	PAYE & NI payments verified								
82	Approval of salaries and increments								
83	Approval of expense claims								
84	Minimum wage threshold met								
85	HR procedures and policies adopted/reviewed								
86	Training policy and record staff /elected Members								
87	Qualified Clerk <ul style="list-style-type: none">• CiLCA 2015 or later• Level 4 Community Governance or higher								
88	Annual appraisals undertaken								
89	Job description up to date / reviewed								
90	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none">• Display Screen Equipment								
91	Adequate Pension provision in place		LGPS		Tick				
			NEST		Tick				
			Other						

	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY			
	• Opt Out Evidenced*		Y		N		DD/MM/YYYY			
	• Declaration of Compliance*		Y		N		DD/MM/YYYY			
	• Redecclaration of Compliance		Y		N		DD/MM/YYYY			

Transaction spot check

Check number	1	2	3	4	5	6
Cash Book date						
Item/budget heading						
Reference / Cheque number						
Order minute reference						
Delivery evidence						
Payment minute reference						
Invoice value						
Minute value						
Payment value						
Statement value						
Timely payment						
VAT recorded						
S137 recorded in Cash Book						
S137 minuted						
Notes						

Appendix: Additional Areas for Audit (Council Specific)

	Allotments	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance					
A2	Fees are charged in accordance with approved rates					
A3	Up-to-date occupancy details are kept and securely retained					
A4	Agreements/licences issued to all plot holders					
A5	Other					

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance					
B2	Fees are charged in accordance with approved rates					
B3	All interred ashes have certificates of cremation*					
B4	Permits are properly documented and stored*					
B5	Cemetery regulations adopted and up to date					
B6	Registers of burials and purchased graves completed correctly and stored safely*					
B7	Burial certificates are issued correctly					
B8	Green slips returned appropriately to the Registrar					
B9	Legible cemetery burial plan up to date* • backed up if appropriate					
B10	Business rates exemptions are correctly applied					

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

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1						
Cb2						
Cb3						

	Markets	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
M1	Income for stall hire balances					
M2	Fees charged in accordance with approved rates					
M3	Up to date occupancy details kept and securely retained					
M4	Statutory records kept / stored safely					
M5	Agreements/licences issued to all stall holders					
M6	Other					

	Other	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
O1						
O2						
O3						

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. ⁱ

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.