



Internal Audit Report

Council:	Great Gonerby
Internal Auditor:	Cathryn Nicoll
Year Ending:	31 st March 2026
Date of Report	18/11/2025

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.

Lincolnshire Association of Local Councils

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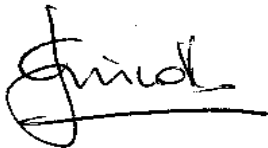
To the Chairman of Great Gonerby Parish Council

I have examined council business documents including policies, agendas and 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.

The report below should be read in conjunction with the audit checklist. I have made comment mainly in relation to the 'High' Risk items however there are also 'Medium' Risk items that need some consideration and action.



Cathryn Nicoll

Internal Auditor

Lincolnshire Association Local Councils

Date: 18 November 2025

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	Weaknesses identified
Accounting	Weaknesses identified
Budget	Weaknesses identified
Income Control	Choose an item.
Bank Reconciliation	Weaknesses identified
Petty Cash	Not applicable
Asset Control	Weaknesses identified
Risk Management	Weaknesses identified
General Administration	Choose an item.
Proper Process/Practice	Weaknesses identified
Payroll/HR	Choose an item.
Information and Data Compliance	Weaknesses identified
Transaction spot checks	Weaknesses identified
Year-end process	Choose an item.
Allotments	Choose an item.
Cemetery/burials	Choose an item.
Charities	Choose an item.
Community Buildings	Choose an item.
Markets	Choose an item.
Other:	Choose an item.
Other:	Choose an item.

There have been several changes of clerk in a comparatively short space of time, the current holder of the post having been employed by Great Gonerby Parish Council since 1 October 2025; the first two weeks of employment were deemed to be for "training" purposes. However, the current post holder is employed by another Parish Council and is currently studying for CiLCA accreditation with the Lincolnshire Association of Local Councils through that Council. She is therefore able to advise Great Gonerby on processes, procedures and protocols etc.

Items highlighted are generally historic and possibly go back for several years.

Recommendations

1. It would appear that many of the issues outlined in the 2024/25 Audit have not yet been implemented. It is recommended that 2024/25 and 2025/26 internal checklists/reports are studied and urgent steps taken to address the issues raised.
2. There is no evidence that the internal and external audit reports have been considered in council and steps taken to rectify the points raised. It also unclear that the checklist and reports have been shared with councillors and reviews undertaken. This should happen without delay.

Governance:

3. Standing Orders are in place, however attention is needed to SO.18.
4. The website version of the Financial Regulations need updating and tailored to Great Gonerby PC to the NALC version of March 2025 and adopted by resolution in a council meeting. The version currently displayed is 2022.
5. Terms of Reference are in place for the Planning and Staffing Committees however there is no evidence that Committee meetings are convened correctly. The meetings should be published and minuted as per council meetings. There is the same requirements for calling committee meetings as for a council meeting.
6. Evidence is needed in relation to all councillors acceptance of the Code of Conduct (CoC) - see item 4 of the checklist. There is a version published on the South Kesteven District Council (SKDC) website which should be adopted. Councillors should individually sign to confirm acceptance and compliance with the CoC.

Transparency:

7. The up-to-date asset register should be displayed on the website once adopted by resolution at a council meeting.

Accounting:

8. Item 23 - as there are no up-to-date financial regulations in place this will be covered in more depth at the final audit for AGAR completion.
9. Item 25 - A more thorough recording of resolutions to approve expenditure should be implemented and included in meeting minutes.
10. Item 26 - purchase of a wreath for the annual Act of Remembrance should be recorded as S.137. This needs to be minuted retrospectively and included in the accounts as a S.137.
11. Item 27 - bank cards should be held by the clerk not a councillor.

Budget

12. Items 29/30 - see also item 29 of the checklist. A draft budget should be produced by the Clerk/RFO for presentation to council for discussion and agreed by resolution. The 2025/26 budget was prepared by the then chair and there is no evidence to suggest that all councillors were involved in the budget setting process or setting the precept. The clerk's post was vacant at the time and a councillor was "acting" as clerk.

The agreed budget figure and precept should be included in minutes and agreed by resolution.

Bank Reconciliation

13. Item 40 - Bank balances should be included in the minutes - bank reconciliation should be produced and, along with copies of bank statements provided to all councillors, either in hard or soft format. The bank reconciliation and bank statements should be accepted by resolution and signed to confirm accuracy during council meetings.

Proper Process / Practice

14. Item 63 - Council should ensure that co-options are managed correctly and Declarations of Acceptance of Office signed and minuted prior to a new councillor taking seat. DPI forms should also be issued for uploading to Parish Council and SKDC website.
15. Item 65 - Five years minutes should be uploaded to Gt Gonerby PC website. All minutes should be numbered sequentially. The correct recording of apologies for absence should be implemented - see checklist.
16. Item 66 - a resolution to enter into "closed session" for items of a confidential nature (ideally at the end of a meeting) should be correctly recorded.

The following weaknesses are also identified:

- a. No formal resolution to appoint the new Clerk and discussion within a "closed session" to agree starting salary and other terms of employment.
- b. No formal resolution apparent to agree to meet the cost of £800 conveyance for the recently donated land.
- c. Not clear where the cost of a council "Christmas meal" is coming from. It is **not** good practice for the cost for councillors, staff and partners to be met from council funds.
- d. It would be good practice to include all payments to be made and approved by resolution in meeting agendas and minutes respectively.

Other

It may be helpful if the Clerk/RFO and councillors investigated moving to SCRIBE, a financial package specifically designed for Councils; this will make financial recording simpler and has the ability for easier interrogation. I would also suggest that the number of bank accounts could be reduced.

In concluding this report, it may be helpful if councillors undertook to commit to LALC training for councillors and to familiarise themselves with the NALC publications - The Good Councillors Guide 2024 and The Good Councillors Guide to Finance 2025 both of which are available from the Lincolnshire Association of Local Councils website.

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
Assertion 1 - Financial management and preparation of accounting statements <i>We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i>	
Assertion 2 - Internal control <i>We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</i>	
Assertion 3 - Compliance with laws, regulations and proper practices <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>	
Assertion 4 - Exercise of public rights <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>	
Assertion 5 — Risk management <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>	
Assertion 6 — Internal Audit <i>We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i>	
Assertion 7 — Reports from Auditors <i>We took appropriate action on all matters raised in reports from internal and external audit</i>	
Assertion 8 — Significant events <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>	
Assertion 9 — Trust Funds (local councils only) <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>	
Assertion 10 - Digital and data compliance <i>We considered and implemented the requirements to protect data and information.</i>	

-End of Internal Auditor's Report-