



Internal Audit Report.

Council:	Crowland Parish Council
Internal Auditor:	Mr A. Everard
Year Ending:	31 st March 2026
Date of Report	24/06/2026

This internal audit has been conducted in accordance with SAPP 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
Internal Audit Report.

To the Chairman of Crowland 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 have identified a weakness I have provided recommendations to improve the weakness identified.

Yours sincerely



Mr A. Everard MBA, BA(Hons), IRRV(hons), FMAAT

Internal Auditor

Lincolnshire Association Local Councils

Date: 24th June 2026

Area of work checked	Outcome
Implementation of previous auditor recommendations	Evidence produced
Implementation of previous AGAR weaknesses/ recommendations	Evidence Produced
Key Governance Review	Evidence Produced
Transparency	Evidence Produced
Accounting	Evidence Produced
Budget	Evidence Produced
Income Control	Evidence Produced
Bank Reconciliation	Evidence Produced
Petty Cash	Evidence Produced
Asset Control	Evidence Produced
Risk Management	Evidence Produced
General Administration	Evidence Produced
Proper Process/Practice	Weaknesses identified
Payroll/HR	Evidence Produced
Information and Data Compliance	Evidence Produced
Transaction spot checks	Evidence Produced
Year-end process	Evidence Produced
Allotments	Not audited
Cemetery/burials	Not audited
Charities	Not applicable
Community Buildings	Not audited
Markets	Not applicable
Other:	Not applicable
Other:	Not applicable

The Parish Council appear to have implemented many of the recommendations made in previous reports and evidence was more transparent. During the intermediate audit conducted in February weaknesses were identified and put right immediately giving assurance that the end of year audit sampling would not identify further issues.

The Clerk, Assistant Clerks/RFO have been very helpful in providing the information and evidence requested.

Recommendations

1. For committees it may be helpful to clarify in the Terms of Reference the following;
 - a) non-committee members present may not stay in the meetings for 'confidential items' (or unless they have been formally appointed as a substitute for an absent committee member. This may need a change to Standing Orders.)

b) There may also be potential conflicts of interest arise from allowing any member to stay to debate while not a member of the committee.

It is recommended that this is reviewed. To ensure The Code of Conduct is still followed.

c) For the HR committee under 'Governance' it is indicated that 'working parties' may exercise delegated powers but this is not consistent with usual lawful practice as they are usually advisory only.

2. Freedom of Information Act/ Transparency Code – reports and papers to members are not published on the website and this may be necessary to comply with the Publication Scheme. Some elements of the Transparency Code for councils spending over £200,000 a year have not been complied with.

3. The Council adopted an Investment Strategy which is a requirement, however, it does not mention the land and property investments that the parish council had put funds into and at some point the policy needs to reflect this situation.

4. The Terms of Reference for the Finance Committee should be amended to allow that committee to undertake budget monitoring.

5. Land and property is being registered with HM Land Registry which is very good practice and compliant with Government advice. This process is underway and needs to be completed.

6. A hire purchase agreement to borrow £33,539.68 over 36 months for a vehicle in February 2026. All borrowing decisions must comply with the Financial Regulations and this should have been considered with a full business case by full council prior to entering into the agreement. The Council holds significant reserves and the amount borrowed, finance fees and charges could probably have been covered from the significant reserves held by the Parish Council thus saving taxpayers £3589.68.

7. The Parish Council has a duty to consider the HMRC IR35 rules with regard to its self-employed contractors. One long-standing contractor would appear to be more like an employee than a contractor. If HMRC investigate this there may be significant penalties applied. I recommend that this arrangement is reviewed urgently.

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
<p>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></p>	No issues identified
<p>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></p>	Some weaknesses identified but not significant.
<p>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></p>	No issues identified.
<p>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></p>	Satisfactory
<p>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></p>	Satisfactory
<p>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></p>	Satisfactory
<p>Assertion 7 — Reports from Auditors <i>We took appropriate action on all matters raised in reports from internal and external audit</i></p>	Satisfactory
<p>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></p>	No issues identified.
<p>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></p>	Not applicable.
<p>Assertion 10 - Digital and data compliance <i>We considered and implemented the requirements to protect data and information.</i></p>	Satisfactory.

-End of Internal Auditor's Report-