Internal Audit Report.

Council:	Market Rasen Town Council
Internal Auditor:	Kirsty Sinclair
Year Ending:	31st March 2026
Date of Report	12/06/2026

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-today 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 Market Rasen Town 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.

Yours sincerely

Kirsty Sinclair
Internal Auditor
Lincolnshire Association Local Councils

Date: 12/06/2026

Area of work checked	Outcome
Implementation of previous auditor recommendations	Not audited
Implementation of previous AGAR weaknesses/ recommendations	Weaknesses identified
Key Governance Review	Weaknesses identified
Transparency	Weaknesses identified
Accounting	Weaknesses identified
Budget	Weaknesses identified
Income Control	Weaknesses identified
Bank Reconciliation	Evidence Produced
Petty Cash	Weaknesses identified
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	Weaknesses identified
Year-end process	Evidence Produced
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Evidence Produced
Markets	Weaknesses identified
Other:	Not applicable
Other:	Not applicable

Recommendations

1. Review/adopt and publish all policies and procedures identified within the checklist including Terms of Reference, Code of Conduct, Complaints Procedure, Investment Strategy, Risk Register, Grants Policy, Health and Safety Policy, Data Protection Policies, Publication Scheme, IT Policy and HR Policies.

2. Publish the Conclusion of Audit from the External Auditor for 24/25.

3. Publish the Council's Asset Register online.

4. Review the Transparency Code page on the Council's website to ensure information is up to date.

5. Review the VAT status of transactions in Scribe. Many are showing incorrectly marked as 'exempt' and not 'out of scope'.

6. There was no income line included in the budget. Ensure the budget details, including all expected income and expenditure, is included within the minutes before the precept amount is agreed. See Financial Regulation 4.1.

7. Recommend that council to create a Reserve Schedule showing all general and earmarked reserves and this be reviewed and minuted regularly.

8. Recommend that council regularly review its income and expenditure against the budget to aid with financial decisions as outlined in the Standing Orders under item 17c.

9. Recommend council review its Schedule of Fees.

10. Recommend that a council member checks the cash balances and signs to confirm accuracy on a regular basis to aid with internal controls.

11. Recommend that the inhouse inspection of assets are recorded.

12. List of members interest to be displayed online. A link to the District Council's website is adequate.

13. Written Statement of Particulars to be produced for all employees and job descriptions reviewed where required.

14. Recommend a payroll report to be presented to council or a delegated committee regularly.

15. Recommend annual appraisals be conducted for all staff members.

16. Display Screen Equipment review to be completed by office staff.

17. Recommend council consider having either .gov.uk or .org.uk email addresses as outlined in the new assertion 10 requirement.

18. During the transaction spot check, there was an invoice for a Walkers Group website, which was addressed to the council but not paid by them. The Clerk advised that the Council usually makes the payment on behalf of the group. However, this year someone unknown to council had their card linked and made the payment. I cannot find anything in the minutes which relates to this invoice. Recommend that an explanation be included with the invoice and that the decision to pay any future invoices be minuted.

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 *We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.*	No – Spend against budget not reported and reviewed throughout the year.
Assertion 2 - Internal control *We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*	
Assertion 3 - Compliance with laws, regulations and proper practices *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.*	
Assertion 4 - Exercise of public rights *We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.*	
Assertion 5 — Risk management *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*	No – Risk register / risk management scheme has not been reviewed within the year.
Assertion 6 — Internal Audit *We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*	
Assertion 7 — Reports from Auditors *We took appropriate action on all matters raised in reports from internal and external audit*	
Assertion 8 — Significant events *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.*	
Assertion 9 — Trust Funds (local councils only) *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.*	
Assertion 10 - Digital and data compliance *We considered and implemented the requirements to protect data and information.*	No – email domain is not the recommended .org.uk or .gov.uk

-End of Internal Auditor’s Report-