



Thornton Le Dale Parish Council

Internal Audit Review May 2025

**Covering Dates between
December 2024 to March 2025 for Audit Trail
Governance and Year End AGAR**

Provided by: Account-ant Yorkshire Limited

For: RFO & Clerk, Jenny Collins

Date Issued: 30th May 2025

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Introduction & Scope

- I. Local councils in England must complete an Annual Governance and Accountability Return (AGAR) which includes an Annual Governance Statement, Accounting Statements, and an Annual Internal Audit report.
- II. Proper practices for Town Councils and the preparation of the AGAR are included in Joint Panel on Accountability & Governance (Practitioner's Guide) March 2025. A copy of which can be found on nalc.gov.uk
- III. Internal Audit is a key component of the council's system of internal control. The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls and procedures are effective.
- IV. As part of the AGAR, the council's internal auditor, acting independently and based on an assessment of risk, carries out assessments of compliance with relevant procedures and controls in operation throughout the financial year.
- V. Our work with Thorton Le Dale Parish Council commenced for the 24/25 Audit period in January 2025 with the remote Interim Audit.
- VI. All aspects of internal audit were covered.

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About Account-ant Yorkshire Limited

Thornton Le Dale Parish Council has appointed Account-ant Yorkshire Limited with the view to complete Interim and Year End Internal Audits for the Council for the Financial Year 24/25.

Account-ant Yorkshire Limited is an Accountancy Practice owned and run by Rachel Pearson who is a CIMA Qualified Management Accountant and Member in Practice. She has been fully qualified for over 10 years and been in a finance role for over 20 years.

Rachel started of Town and Parish Council Audits in 2018 and has gained knowledge and experience in the subsequent years.

The Auditor for the period April 2024 to March 2025 is Rachel Pearson ACMA (MiP)

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Summary

I have reviewed a wide range of documentation including documentation provided by the Clerk/RFO as well as the Parish Council website.

Our primary contact has been Jenny Collins who is the Clerk/RFO.

Jenny has been open and clear with regards any queries I have made. She has been thorough and knowledgeable when met with queries.

Consistent with the notes of the External Auditor which have indicated “no” against objectives M & N. This relates the exercise of public rights being published on the 2nd of July 2024 rather than 1st of July 2024 (to include the first 10 days in July as required).

This was due to a small issue with website uploads at the time and was quickly resolved.

We have noted a continued improvement in record keeping year on year.

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Findings

Proper Bookkeeping

Thornton Le Dale Parish Council uses an Accounting System called Scribe to record all its financial transactions. The system is arithmetically correct. Monthly Reconciliations are undertaken and subsequently presented to Full Council.

Standing Orders and Financial Regulations

Financial Regulations were agreed at the September 2024 meeting.

We recommend this is done as part of the Annual General Meeting in future as this is standard practice for a lot of councils

Both are easily accessible on the website:

<https://thorntonledale-pc.gov.uk/tled-parish-council/council-publications/>

(We note in the 2025 Annual Meeting the Financial Regulations, Standing Orders and many other policies have been reviewed and readopted).

We would request in subsequent years The Code of Conduct be presented at this meeting too.

Documentation Readoption at Full Council

We note from review of the 2025 Annual meeting a large improvement in the number of documents reviewed and readopted. Whilst we acknowledge this is not related to the year in question, we believe it is relevant to highlight the Council are working hard on their improvements.

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Payment Controls

Staffing

The Council has one member of staff currently.

Purchases above De Minimus

The Financial Regulations state that any contract over £5,000 will require 3 quotes to be obtained by the Clerk or RFO and for any amount over £1,000 they shall strive to receive 3 quotes.

The only item over De Minimus was a fee to the External Auditor. This is an item on which “best value” is unable to be achieved.

During year end Audit we found no items over the DeMinimus level.

Sample Review

The Auditor reviewed a sample of purchase and sales invoices. All items were found to have an audit trail and were authorised. A list of payments is provided to Full Council at each meeting. We note our recommendation to display these within the meeting minutes has been accepted and implemented.

During year end we chose to review 10% of the relevant costs and income – all found to have a relevant audit trail.

VAT reporting

We have reviewed the return in Scribe vs paperwork provided. All but 2 items did not have a supplier VAT no. One was a supplier and the other was a member of staff. We have advised the Clerk to enter the VAT number for the supplier of the item i.e. if the Clerk purchased from Amazon and a relevant VAT invoice was available, we should use the VAT number presented on the invoice.

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S137 Expenditure

The Council does not currently have General Power of Competence. The clerk is not currently CILCA qualified.

The Council should review and resolve they meet the criteria at every relevant annual meeting.

Risk Management Arrangements

Risk Assessments

Risk Assessment document dated December 2024 observed and we have noted discussion in the meeting minutes of the prior version of the document.

Unusual Financial Activity

None

Insurance Cover

The Council is insured with Zurich and appears to be sufficiently covered

Internal Controls

For Internal Controls we would expect to see a formalised process with signed documentation

Investments

The Council currently do not have any investments or an investment policy at the time of writing this report. They do, however, have a reserves policy. But this requires an update as it is dated 2023.

GDPR

The website is old fashioned and has no search function. We do note however that it is accessible and has had a significant upgrade from prior year. There is a Privacy Policy in place on the website.

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The Council is registered with ICO under Membership No: ZB257289 Which expires in November 2025

Budgetary Controls

Budget Preparation

On previous Audits we have been advised the following is the Budget Process:

Each year the Council undertakes a budget process. The current spend, current projects, future projects and earmarked reserve requirements are all considered. Once a first draft is ready it is presented to the Finance Committee in December. After their review adjustments are made (if required) and the budget is then reported to Full Council for agreement around January each year.

Budget Reviews

The Actual vs Budget will be reviewed by the Council bi-yearly. Evidence of discussion seen in meeting minutes. We have also reviewed the Explanation of Variances for the period and found them to be fully explained.

Budget Variances

The council originally budgeted to be net income vs expenses. However, they ended the year with just under £20,000 surplus which is due to cost control across most areas of responsibility.

Income Controls

Precept

The precept reviewed matches the request sent. North Yorkshire Council does not provide a notification. We note at the time the Precept request was sent the Parish did not have a Clerk in post and therefore it was signed by the Chair of the Finance Committee in December 2023. We understand the email address used on the request was not a parish email address as at the time of the request the Council did not have access to a Council email address.

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Cash and Near Cash Security

The Council no longer uses petty cash.

Credit Card

The Council does not have a credit card.

Payroll Controls

Staffing

All members of staff have current job descriptions and terms and conditions. The council also has an annual appraisal process.

Payroll Processing

At random we chose 2 months from the year to review at random. This was August 2024 and November 2024.

We have traced the payments to the staff member and HMRC through the bank. The Council does not currently pay Pension contributions as the staff member has opted out.

Expenses

No expenses were observed within the sample. We have noted expenses as part of the VAT return and checked these items as a matter of course.

Approval of salaries and increments

The Council adopts NJC terms and conditions. NJC increases are budgeted and reported to Council.

Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

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HR Procedures and policies adopted

The Council has HR Policies in place.

Training Policy and record for staff and elected members

There is a Training Policy in place dated 2023 which we would recommend for review in 2025/26.

We have observed a List of Training Undertaken by both Councillors and the Clerk.

Both Documents are available to see on the website.

Qualified Clerk

At the time of writing the report, the Council did not have a fully CILCA qualified Clerk.

Annual Staff Appraisals

Appraisals are undertaken.

H&S review of Staff Workstations and PC equipment

The Council has a Health and Safety at Work policy in place which was adopted in November. It currently has a “draft” water mark. We would recommend its removal.

Asset Control

Register

The Council uses Scribe for their Asset Control. In previous years this was an Excel spreadsheet and therefore we welcome this improvement as a reduction in duplication of effort. We note some items have their 3 words location which we believe will help with maintenance of the Register in the future, we encourage this.

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Insurance

The insurance of assets is covered under the Council Commercial Combined Policy.

The assets listed agree to the insurance document.

Bank Reconciliations

Bank reconciliations are present for all accounts. These are reconciled monthly in Scribe and are matched to physical bank statements. No differences have been observed.

Grants

This did not form part of the interim Audit and will be reviewed at year end.

Accounting Principles

The Council are operating as Receipts and Payments.

Allotments

The council has some allotments.

During Interim and Year End Audit we observed a sample of leases and found them to be in order.

Facilities Management

The Council do not manage any other facilities.

Burials

The council is a Burial Authority

The Auditor chose a small sample and reviewed the paperwork for during the Interim Audit and felt this was sufficient for the 2024/25 year as a whole:

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Kenneth Peirson
Grace H Rodger
Sheila Francis Rowe

The Clerk has highlighted the date of burials within the system should be checked and updated as when the system was implemented most burials were added with a generic date rather than an accurate one.

Income for burials/permits

The documents were found to be in order

Burial Plan

Burial Plan present within the Council Offices. It is not digitally stored

Statutory Reports Kept / Stored Safely

The records are currently kept in a locked cabinet in a locked office.

All interred ashes have certificates of cremation

As part of the sample, we chose an Interment of ashes. Documentation was found to be in order.

Permits properly documented and stored

Permits are stored within Scribe.

Safety

Evidence of a Risk assessment is on the website.

Earmarked Reserves

Evidence of Earmarked reserves discussion as part of the budget process is seen in the November meeting minutes. The Council has a reserves policy in place.

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Monies in Bank

Monies in Bank have been split between two accounts in the same Financial Institution having previously split their funds across 2 institutions. Whilst the Council cannot benefit from FSCS protection we would generally recommend Councils at least review their accounts to ensure they are earning interest on Reserves where possible.

Transparency Code

The Council publishes a payment list within the meeting minutes which is sufficiently in line with the Transparency code

Year End & AGAR

The Accounting Statement for 2024/25 we note the 2024 figure for Box 3 is £1 different from the published document.

This is because of a difference in advice from the software provider regarding ticking a rounding indicator within the system. This is now consistently implemented.

We have advised the Council to note “restated” against this Box in their Accounting Statements and to write a note to PKF indicating the change to save time during External Audit.

With regards the Annual Internal Audit Report all Objectives are indicated as “yes” apart from:

F – Not covered as the Council does not hold Petty Cash

K – Not covered as the Council did not certify themselves exempt

M & N - No as the Exercise of public rights was published on the 2nd of July 2024 rather than 1st July 2024

Other items of Note

The council has sufficient security over information and uses Cloud Storage.

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Arrangement for inspection of public records

The Council has sufficient arrangements in place for the inspection of public records should it be required.

Memberships

The Council has memberships with YCLA, SLCC and ICCM

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Recommendations/Further Information Required

Some of the below points were raised during the Interim Audit and appear to remain outstanding. Please review the Interim Audit report for clarification if required.

General Power of Competence

Clerk has answered the Council has General Power of Competence in place on one of our initial enquiry forms during Interim Audit.

However, Thornton Le Dale cannot have this in place without a CILCA qualified Clerk. Therefore, I would expect items to see items within the S137 report.

Unless you have proof that you meet the criteria (example here: <https://www.slcc.co.uk/qualifications/gpc/>)

These items would be spending where the Council does not have a specific power. For instance, community grants and wreaths for remembrance day.

The amount the Council can spend up to £10.81 per Parishioner at 2024/25 (this is why we ask for the number of Electors).

The Council need to report this separately and therefore when this Power is used, please ensure you use the S137 flag within Scribe.

Standing Orders

We have noted from the September 2024 the Standing Orders were readopted. This is just a note to state the document on the website is not updated fully. Screenshot below

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Standing Orders

Adopted :- 10/1/2023

Minuted :- 2223/01/5a

Reviewed :- Reviewed:- 24/10/2023 2324/59a

Standing Orders

[View Now](#)

Adopted :- 10/1/2023
2324/59a

Minuted :- 2223/01/5a

Reviewed :- 24/10/2023

De Minimus

Just a note to remind the team we expect to be able to see evidence of 3 quotes on items over £5,000. We would recommend these be uploaded to Scribe along with the invoices for the successful supplier. We note this is not relevant to the year Audited, it is just highlighted to act as a reminder for future years.

VAT returns

During Year End Internal Audit, we have discussed this item at length. In 24/25 we noted a small number of items included on the VAT Return without a VAT registration number. This has been fully explained, and we have resolved where an expense claim is made the VAT registration number used should be the supplier's (i.e. Amazon where applicable).

Internal Controls

Whilst we are aware most Councillors have access to Scribe and some do login to perform spot checks, this process is not fully documented. We would encourage the Council to implement a tick-sheet style document to show 2 independent Councillors have checked the finances. We would expect to see this quarterly.

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Training Policy and Matrix

We are pleased to note the Training Records and policy are now on the website and our queries at Interim Audit have been acted upon. We would like to note two small points – The training Policy dates “adopted 10/1/2023” (screenshot below) and the Training Expenditure document for 24/25 includes one item of 25/26 expenditure. We would encourage the Council to amend these documents where possible.

Training Policy

[View Now](#)

Adopted :- 10/1/2023 Minuted :- 2223/01/5i Reviewed :-

Health & Safety Policy

We would recommend the removal of the “draft” watermark on the Health and Safety at Work Policy.

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