



Internal Audit Review June 2025

Audit Trail Checks covering October 2024 – March 2025 Plus Year end AGAR and Governance

Provided by: Account-ant Yorkshire Limited

For: Charlotte Smith, RFO

Date Issued: 12th June 2025

Where information resulting from investigation and/or audit work is made public or is provided to a third party by the client or by Account-ant Yorkshire Limited then this must be done on the understanding that any third party will rely on the information at its own risk. Account-ant Yorkshire Limited will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Account-ant Yorkshire Limited in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

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 is 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 on the basis of an assessment of risk, carries out assessments of compliance with relevant procedures and controls in operation throughout the financial year.
- V. Our work for the 24/25 year with Leyburn Town Council commenced in October 2024 with the remote access to the Scribe Accounts and email correspondence with the RFO. The period assessed was April to September 2024. This continued with the year end Audit starting June 2025.
- VI. All aspects of internal audit were covered.

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About Account-ant Yorkshire Limited

Leyburn Town Council has appointed Account-ant Yorkshire Limited with the view to complete Interim and Year End Internal Audits for the Council.

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 Audits were completed remotely I have spoken to Charlotte Smith predominantly via email and phone calls during the 24/25 audit

The Council has been open and clear with regards any queries I have made.

Having reviewed the Council, I believe they are at a high standard whilst there is always room for continuous improvement even in a High standard Parish Council.

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Findings

Proper Bookkeeping

Leyburn Town Council uses an Accounting System called Scribe s to record all its financial transactions. The system is arithmetically correct. The RFO completes monthly bank reconciliations.

Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed at Full Council in May 2024. These will be reviewed and readopted at each Annual meeting

Both are accessible on the website:

Financial Regulations:

<https://leyburntowncouncil.gov.uk/wp-content/uploads/2020/02/Financial-Regulations.pdf>

Standing Orders:

<https://leyburntowncouncil.gov.uk/wp-content/uploads/2020/02/LTC-Standing-Orders-2018.pdf>

Policy review and adoption

Polices are reviewed at the Annual meeting which we can see in the minutes of May 2024.

We note several policies being reviewed throughout the year. An example of which is the Annual of the Council in May 2024.

Payment Controls

Staffing

The Finance department comprises of an RFO/Clerk and Deputy Clerk.

Each employee has an up to date job description and has been appointed with specific duties.

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We have reviewed the SCP grading and found it to be in line during the Interim Audit.

Purchases above De Minimus

The Financial Regulations state that any contract over £3,000 will require 3 quotes to be obtained by the Clerk or RFO and for any amount over £1000 they shall strive to receive 3 quotes.

We have seen sufficient evidence of best value where possible.

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 are given during each full Council meeting.

VAT reporting

Vat returns observed. Auditor satisfied the Council are reporting VAT correctly.

S137 Expenditure

The council has the power to spend £10.84 per Elector on cases it deems worthy recipients. The council has spent within the statutory limits for the year.

We would recommend the standardisation of grant giving and reporting.

We notice grants are provided sporadically throughout the year. This could lead to the Council given grants on a first come first serve basis, which, may not necessarily lead to the best usage.

Perhaps the Council would like to accept grant applications at specific times in the year – perhaps twice per year or once per year. Overall, this could also save the Council and staff time.

We would remind the Council that whilst it is not a requirement of the S137 power it is still advisable to receiving Grant Monitoring forms from recipients, this could also help the Council decide on the values to give to each community project. For instance, if the Council knew the Bonfire costings they might be inclined to support the full amount requested.

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Risk Management Arrangements

Risk Assessments

The Risk Assessment document is comprehensive and dated May 2024.

Burial Authorities

The Council is a burial authority – we have checked the Council have kept appropriate paperwork related to the burials between October 2024 and March 2025.

We tested burials of Torode and Houseman, the correct paperwork was available and the correct fees charged.

Unusual Financial Activity

The minutes and accounts have been reviewed for unusual financial activity and none has been identified.

Insurance Cover

Insurance cover appears to be comprehensive

Internal Controls

In addition to the checks done during the monthly meeting, a separate Councillor double checks items on a quarterly basis. We have seen evidence of this in the Interim Audit.

Investments

The Council does not have any investments

GDPR

The GDPR policy forms part of the Privacy Policy is on the website.

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Budgetary Controls

Budget Preparation

The council has a thorough process for Budgetary review. An Excel document showing past 4 Years and the current financial year forecast is produced. The income and expenditure calculations are shown in the excel workbook. Tenders are issued prior to the financial year to obtain firm costings for contracts. This is then reviewed at full Council. Budget for 24/25 agreed in the January 2024 meeting and every subsequent year is agreed in the January meeting.

Budget Reviews

The actual vs budget is reported on screen at each Council meeting. We have seen evidence of this within the meeting minutes.

Budget Variances

The budget vs actual is within a reasonable margin. The income is £57k more than budget, most of which is under the CPT heading. There is also an underspend in CPT of £41k meaning the net cost was £21k.

Income Controls

Precept

The precept reviewed matches the request sent to North Yorkshire Council. They paid the precept in 2 instalments, April and September 2024. We have checked this against the precept demand, budget and bank.

Cash and Near Cash Security

The Council does not have Petty Cash. If cash is handled it is counted between two people and put in the safe until the post van arrives. The cash is counted and put on Scribe at the same time. The post van arrives twice per week.

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Multipay Card/Credit Card

The Council currently does not have a card. However, the Council does have a debit card linked to their bank account which is held and controlled by the Clerk/RFO.

Payments made using the Debit card formed part of our sample check.

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

Payroll is processed in house using Moneysoft. No differences have been observed in the samples **dated September 2024 and February 2025.**

The council have added PAYE to their DD agreements.

Expenses

Expense claims observed as part of the sampling exercise and found to be reasonable.

Approval of salaries and increments

The Council adopts NJCP terms and conditions. NJC increases are budgeted and reported to Council. We have reviewed the salaries in line with NALC SCP recommendations and found them to be correct during our Interim Review.

Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

HR Procedures and policies adopted

HR policies are in place.

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Training Policy and record for staff and elected members

There is a record of training.

However, the Councillors do not currently commit to continuous training as highlighted in our Interim Audit.

The Civility Pledge has been signed.

Qualified Clerk

Yes, the RFO/Clerk is CILCA qualified.

Annual Staff Appraisals

Appraisals are undertaken.

H&S review of Staff Workstations and PC equipment

The council does not have H&S policies in place as they are not currently a legal requirement. Although for a happy and safe working environment believe this is necessary regardless of the number of staff members.

Asset Control

Register

The main change in the Asset value is the Changing Places Project.

Insurance

The council is fully insured, in terms of insurance vs asset valuation. We have reviewed the policy which appears to be comprehensive.

Bank Reconciliations

The bank reconciliations are completed in Scribe and presented to Council at the monthly meeting where they are then signed by the Chair.

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This is in agreement with the Financial Regulations. We have observed evidence of this.

Grants

A log of receipt vs expenditure is kept for Grants received. The Council benefitted from the receipt of several grants throughout the year.

Accounting Principles

The Council are operating as Income and Expenditure.

Accruals & Prepayments

Accruals and Prepayments are reasonable and well considered.

Allotments

The Council does not currently have allotments.

Market Authority

The Council has a long running market. It has a mixture contracted and casual traders. We tested several receipts against the rate card provided during our Interim Audit.

Facilities Management

The Council manages Thornborough Hall which has regular tenants and is also a Wedding/Function Venue and Shawl Recreation Grounds.

The bookings for these are managed externally to Scribe.

We have also reviewed the lease for one tenant during our previous Audit.

Earmarked Reserves

We highlighted during a previous Audit that Earmarked Reserves were not being fully utilised. We are pleased to see they are now considered.

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Monies in Bank

The monies are split over a small number of bank accounts and all are within FSCS regulations.

Year End & AGAR

Internal Control Objective K is not applicable to the Town Council as they did not certify themselves as exempt from a limited assurance review in 2023/24.

AGAR is correct and checked to the Trial Balance, Bank Accounts and Debtors and Creditors

Trust Funds Independent Examination

There are no trust funds.

Other items of Note

The council is registered with the Information Commissioners Office under membership number: ZA426051 and expires in June 2025.

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

Arrangement for inspection of public records

Members of the Public are welcomed to attend the Parish Council offices on any day during the inspection period.

Memberships

The Council has many memberships in place in order to assist with the successful management of the Council and it's amenities.

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Recommendations/Further Information Required

These recommendations were made on our last report. At the time of writing this report we believe they still required attention:

- The JPAG Point 5.26 states “It is prudent to develop a multi-year medium term financial plan”. **The perfect time to work on this is during the budgeting process for 24/25 as most of the work involved in this process is done at this time of year.**
- The website could do with an update in some areas, for instance in events there is reference to Christmas 2023. One supplier who seems to supply lots of councils and their template is very accessible (in our opinion) is Aubergine.
- The website under Thornborough Hall, Businesses and Services is blank
- We would recommend Grant Monitoring forms be used (see section above for reasoning)
- We would also recommend grant applications be accepted bi-annually or annually to allow the Council to be able to fully consider all the community projects that could benefit from their support.

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