Internal Audit

Darrington Parish Council

Year Ending 31 March 2025

Internal Auditor: Scott Currell Davis

Summary Checklist Report

This internal audit report is based upon the Association of Local Councils recommended checklist, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

Year Ending: 31 March 2025

Name of Council	Darrington Parish Council	Name of Clerk to the Council	Linda Thompson
No. Of Councillors	9	Name of RFO	Fiona Gray
Quorum	3	Precept (for audit year)	£18,150.75
Electorate	1,150	Gross budgeted income	£3,500.00

1.	**Book-Keeping**		**Comments & Recommendations**
1.1	Are the accounts balanced and up to date?	Yes	The accounts are balanced to be up to date for the monthly Council meeting and are up to date to the financial year-end.
1.2	Arithmetic correct?	Yes	Ledger reconciled monthly
1.3	Evidence of internal control?	Yes	• Internal audit • Budgetary control and monitoring • Bank reconciliation review by Council • Risk assessment policy, risk management scheme and risk assessments
1.4	VAT evidence, recording and reclaimed?	Yes	The Council can recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is made annually. The last claim received in the year covered the period to 31/03/24.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	See Detailed Schedule in Compliance Testing Report. All payments are authorised in monthly minutes.
1.6	Is S137 expenditure separately recorded and within statutory limits?	Yes	S137 expenditure is recorded separately in the cash book and is within statutory limits.
1.7	Is S137 expenditure of direct benefit to the electorate?	Yes	All S137 expenditure incurred in the current financial year was in respect of activities relevant to the parish

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2.	Due Process		Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes	The Council has had Standing Orders in place since 2015. There is no record of Standing Orders being in place prior to this date, however previous Councillors have confirmed that there were Standing Orders in place since the early 2000's.
2.2	Standing Orders reviewed at Annual Meeting?	Yes	Standing Orders were reviewed, updated and adopted by Council at the annual meeting of the Council on 11 May 2023 and were reviewed again at the annual meeting of the Council on 8 May 2025. The Standing Orders align to NALC current best practice guidelines.
2.3	Financial Regulations adopted?	Yes	Yes - Financial Regulations were reviewed, updated and adopted by Council at the annual meeting of the Council on 11 May 2023. NALC introduced revised Financial Regulations during April 2024 and a customised version of these were reviewed and adopted by the Council at the annual meeting of the Council on 9 May 2024. The Council once again reviewed the Financial Regulations on 8 May 2025. There were no changes to note.
2.4	Financial Regulations properly tailored to Council?	Yes	Yes, the Financial Regulations were tailored by the RFO and these changes adopted by the Council.
2.5	Equal Opportunities policy adopted?	N/A	On investigation it was determined that this policy is only required for councils that have employees. As Darrington Parish Council does not have employees, this policy is not required.
2.6	RFO appointed?	Yes	Fiona Gray was appointed as RFO to the Council on 27 July 2022.
2.7	List of member's interests held?	Yes	The Clerk maintains and updates the list of member's interest as required. A link is available on the Wakefield Council website to the list of member's interest held at the Darrington Parish Council. www.wakefield.gov.uk: Parish council – Darrington Parish Council
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	The council meeting agenda is prepared and signed by the Proper Officer and is posted on the Council's website and parish council notice boards with 3 clear days' notice.
2.9	Purchase orders raised for all expenditure?	Yes	Financial Regulations determine how commitment to purchase is made (see 2.10). Most orders for goods and services are made by or confirmed by email and are approved by the Council prior to expenditure, except where the spend is less than £500 and cannot wait until the next Council meeting for approval. In these cases the RFO, Chair and Proper Officer each have delegated authority to spend up to £500 and retrospectively request approval at the Council meeting immediately thereafter. Furthermore, for control and compliance purposes each transaction is allocated a transaction reference which can also serve as the purchase order number and a remittance advice reflecting the

			transaction reference is sent to each recipient. A formal purchase order system is therefore not required to be implemented.
2.10	Purchasing authority defined in Financial Regulations?	Yes	The Financial Regulations stipulate that: • Where possible estimates/quotes will be obtained for purchases exceeding £5,000. • Under £500 can be authorised by the RFO, Chair and Proper Officer subject to budgetary provision.
2.11	Legal powers identified in minutes and/or ledger?	Yes	Yes, the legal powers are identified in the Annual Account Summary.
2.12	Committee terms of reference exist and have been reviewed?	N/A	No committees of Council

3.	Risk Management		Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	No	Minutes are prepared for all meetings of the Council, which meets 11 times per year. No unusual financial activity was found in the minutes reviewed. Council minutes are not currently available to view on the Council's website however they will be once the new gov.uk website goes live in July 2025.
3.2	Is an annual risk assessment carried out?	Yes	Yes, an annual risk assessment is carried out between February and March each year.
3.3	Is Insurance cover appropriate and adequate?	Yes	The level and range of insurance cover appears to be adequate for the size of the Council.
3.4	Evidence of annual insurance review?	Yes	The insurance is renewed annually on or shortly after 1st of May. Insurance cover is currently placed with specialist brokers Arthur J Gallagher (AJG), who insure through Hiscox for liability insurance. A 3-year Long Term Agreement (LTA) with AJG was taken out on 01/06/2022, which expired on 31/05/25.
3.5	Internal financial controls documented and evidenced?	Yes	A statement of internal control was adopted by the Council
3.6	Minutes initialled, each page identified and overall signed?	Yes	Minutes have been initialled on each page, as well as signed in full and dated on the first page.
3.7	Regular reporting and minuting of bank balances?	Yes	Bank balances are presented to Council at each meeting as part of the financial reporting and are minuted.
3.8	S137 expenditure minuted?	Yes	S137 expenditure is identified as such in the monthly payment summary for approval by the Council and is minuted on the same basis. Furthermore, expenditure does not exceed S137 statutory limits.

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4. Budget			**Comments & Recommendations**
4.1	Annual budget prepared to support precept?	Yes	A detailed budget is prepared annually by the RFO.
4.2	Has budget been discussed and adopted by Council?	Yes	The budget for the financial year being audited was reviewed and approved by the Council at its January 2024 meeting.
4.3	Any reserves earmarked?	No	There are no reserves earmarked at 31 March 2025.
4.4	Any unexplained variances from budget?	No	There are no unexplained variances from the budget.
4.5	Precept demand correctly minuted?	Yes	The approved precept demand was presented to the Council during its January 2024 meeting and the value of the precept demand was minuted.

5. Payroll - Clerk			**Comments & Recommendations**
5.1	Contract of employment?	N/A	
5.2	Tax code issued/contracted out?	N/A	
5.3	PAYE/NI evidence?	N/A	
5.4	Has Council approved the salary paid?	N/A	
5.5	Other payments reasonable and approved by Council?	N/A	

6. Payroll - Other			**Comments & Recommendations**
6.1	Contracts of employment?	N/A	
6.2	Does the Council have employers' liability cover?	N/A	
6.3	Tax code(s) issued?	N/A	
6.4	Minimum Wage paid?	N/A	
6.5	Disciplinary, Grievance & Complaints procedures in place?	N/A	

7. Asset Control			**Comments & Recommendations**

7.1	Does the Council keep a register of all material assets owned?	Yes	The RFO is responsible for maintaining the manual asset register.
7.2	Is the asset register up to date?	Yes	The asset register is reviewed regularly and updated as required. The last update of the register took place at the 14 March 2024 meeting.
7.3	Value of individual assets included?	Yes	No minimum value is applicable for the assets listed on the asset register. No formal valuation has been undertaken.
7.4	Inspected for risk and health and safety?	Yes	An annual risk assessment was carried out in March 2025.

8.	**Bank Reconciliation**		**Comments & Recommendations**
8.1	Is there a bank reconciliation for each account?	Yes	Reconciliations are undertaken for the bank account held by the Council: • Virgin Money (current) Account; bank statements received monthly. The main account for cheque payments and receipts.
8.2	Reconciliation carried out on receipt of statement?	Yes	The bank account is reconciled on receipt of statement.
8.3	Any unexplained balancing entries in any reconciliation?	No	All balancing entries fully explained.
8.4	Is the bank mandate up to date?	No	The bank mandate needs to be updated to remove John Cox as he is no longer a member of the Council, and to add Dennis Burns as the new Chair. This mandate currently authorises 3 Council members as signatories: Linda Thompson (Chair), Vera Stones (Proper Officer) and Fiona Gray (RFO). Once the update is complete the mandate will authorise 4 Council members in total. The RFO is also recognised by the bank for administrative and communication purposes. Any 2 of the nominated signatories are required to sign cheques. The RFO is authorised to create and approve electronic payments, however each payment is required to be released by 1 of the other 2 Council members. This will change to 1 of the other 3 Council members on completion of the update. All Council signatories on the bank mandate were still Council members at the end of the current financial year. **ACTION: To remove John Cox and add Dennis Burns.**

9.	**Year-End Procedures**		**Comments & Recommendations**
9.1	Year-end accounts prepared on correct accounting basis?	Yes	Day to day and year-end accounts are prepared on a Receipts and Payments basis.

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9.2	Bank statements and ledger reconcile?	Yes	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31st March 2025 was prepared and reviewed and approved by the Council.
9.3	Underlying financial trail from records to presented accounts?	Yes	The manual accounting system provides a satisfactory audit trail to the underlying financial records.
9.4	Where applicable, debtors and creditors properly recorded?	Yes	Although not required to be recorded in the Receipts and Payments Accounts (i.e.cash based accounts), no outstanding debtors or creditors were identified at the financial year-end.
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the Annual Return?	Yes	Section 1-Annual Governance Statement to be signed by the Council chair at the next Council meeting on 12th June 2025. Section 2-Accounting Statements to be presented to the Council for approval and signature by the Chair at the next Council meeting on 12th June 2025.

10.	**Miscellaneous**		**Comments & Recommendations**
10.1	Have points raised at the last internal audit been addressed?	Yes	Item 2.11 has been addressed and is no longer outstanding Item 10.4 is in the process of being implemented and is expected to be complete by the end of August 2025.
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	The Council adopted a Code of Conduct at the ordinary meeting held on 10 February 2022 and was reviewed by the Council at the annual meeting of the Council on 8 May 2025.
10.3	Is eligibility for the General Power of Competence properly evidenced?	N/A	The Council is not eligible for this particular power.
10.4	Are all electronic files backed up?	No	All files are currently backed up to a GoogleDrive folder in the cloud, however this will change from July 2025, at which point files will be saved to the member-only section of the new website which is hosted by Active Council, a government approved website provider. **RECOMMENDATION:** **Implement the proposed change of file location.**
10.5	Do arrangements for the public inspection of records exist?	Yes	Notice of audit displayed as per external audit instructions. Outside of this period, inspection of records can be undertaken by prior appointment

11.	**Charities**		**Comments & Recommendations**

11.1	Charities reported and accounted separately?	N/A	The Council does not currently act as trustee for any charity and is not responsible for managing any trust funds or assets
11.2	Have the accounts been separately audited?	N/A	
11.3	Have the accounts been filed within the legal time limits?	N/A	
11.4	Has the Annual Return been filed within the legal time limits?	N/A	

12.	Burial Authorities		Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	N/A	Darrington Parish Council does not own any burial land
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A	
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	N/A	
12.4	Do all internment of ashes have a certificate of cremation?	N/A	
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	N/A	

13.	Income Controls		Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	Receipts (acknowledgments) are issued for payments received, where applicable. Cash and cheques are banked as soon as is practically possible. Outside of the precept, bank interest and the VAT reclaim there is minimal other income.
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The precept was received in a single instalment and recorded in the accounts during April 2024. The total precept received for 2024/25 was £18,150.75 and this corresponds to the confirmation received from the Council
13.3	Are security controls over cash adequate and effective?	Yes	All cash is received by the RFO and is deposited within 24 hours of receipt.

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14.	Petty Cash		Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	Darrington Parish Council does not operate a petty cash account
14.2	Is petty cash expenditure reported to Council?	NA	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

TRANSACTION SPOT CHECK

Check No.	1	2	3	4	5	6
Transaction type	Purchase invoice	Reimbursement	Purchase invoice	Claim for services provided	Purchase invoice	PWLB Loan Repayment
Supplier/Customer	Lancaster Memorials	Home Bargains	WJPS t/a Active Council	Mr. P.G. Maw	P.C.C. of Darrington	United Kingdom Debt Management Office
Invoice/Transaction No.	11-2425	18-2425	54-2425	13-2425	36-2425	20-2425
Invoice/Transaction date	03.05.2024	07.06.2024	21.01.2025	None	16.10.2024	01.07.2024
Goods/services supplied	Memorial Plaque	Food items for D-Day Picnic in the Park	Website and email	Refurbished benches and notice boards	Repair to village / church clock	Repayment of loan for lamp posts
Ledger date	17.05.2024	17.06.2024	17.02.2025	17.05.2024	20.11.2024	29.07.2024
Ledger Reference	11-2425	18-2425	54-2425	13-2425	36-2425	20-2425
Item/Budget heading	Parish project – air crash memorial	Parish projects	Parish project – govt compliant website	Grass/gardening /maintenance	Parish projects	Loan payments – street lighting loan
Ref/cheque No.	11-2425	18-2425	54-2425	13-2425	36-2425	Direct debit
Authorised by	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	Council meeting
Order Minute Ref	May 2024	June 2024	February 2025	May 2024	November 2024	July 2024

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Delivery evidence	Memorial plaque installed	Food items at picnic	Website & emails set up	Refurbished benches and notice boards	Repaired clock	Payments up to date
Payment minute ref	11-2425	18-2425	54-2425	13-2425	36-2425	20-2425
Insurance value	£1,343.90	n/a	n/a	n/a	n/a	n/a
Payment value	£1,343.90	£7.52	£1,204.80	£800.00	£500.00	£1,104.17
O/S Statement value	£0.00	£0.00	£0.00	£0.00	£0.00	£14,636.22
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded	Yes	n/a	Yes	n/a	n/a	n/a
S137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	n/a
S137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes	The memorial plaque was funded by donations received from the public as documented in the April 2024 bank statement		Includes registration of gov.uk domain name, Office 365 email set up, website set up and annual support	This cost is provided for under the budget line-item maintenance	The Council contributed to the cost of the repair, which exceeded £1,000 in total	Loan is for upgrade of the lamp posts – these do not belong to the Parish Council and therefore not insured by the Parish Council
Pass	√	√	√	√	√	√

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Any further comments
The overall internal audit assurance rating remains as: **GOOD**

Internal audit carried out by	**(print)** Scott Currell Davis
Audit type (delete as appropriate)	**ANNUAL**
Date	

For internal auditor's use only	
Section 4 of Annual Return form completed and signed	**Yes**
Internal audit report sent to Council	**Yes**

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ANNUAL RETURN	Year Ending 31 March 2024	Year Ending 31 March 2025
1. Balances brought forward	£20,464	£19,597
2. Annual precept	£16,501	£18,151
3. Total other receipts	£3,740	£3,270
4. Staff costs	£0	£0
5. Loan interest / capital repayments	£2,208	£2,208
6. Total other payments	£16,520	£20,080
7. Balances carried forward	£20,464	£19,597
8. Total cash and investments	£20,464	£19,597
9. Total fixed assets and long-term assets	£27,349	£30,528
10. Total borrowings	£16,118	£14,636
Section 2 Annual Return figures completed and cross referenced?		Yes