

Internal Audit - Question/Action list – 2025-26
North Duffield Parish Council

A. Books of Account

1. Are they suitable for the purpose? **Yes. A very clear spread sheet analysis.**
2. Have they been properly kept in a timely manner? **Yes. Updated as payments made and income received.**
3. Are they reconciled with the bank statement on a regular basis? **Yes. Every month as statements are received.**
4. Do they agree with the Year End statement? **Yes.**
5. On what basis are they kept? **Receipts and payments.**

B. Standing Orders and Financial Regulations

1. When were these last reviewed? **Based on the YLCA standard model guide they were updated in June 2024**
2. Are they being adhered to? **Yes**
3. Are the duties of the Finance Officer listed? **Yes – as part of the Financial Regulations.**

C. Payment Controls

1. Were all payments supported by invoices? **Yes, though having moved to payments by BACS, there are no longer any cheque numbers to record.**
2. Was expenditure properly approved before and after action? (This may be via delegated powers). **Yes. All new items of expenditure are discussed and agreed before work/purchase is committed.**
3. Is there a clear audit trail? **Yes, through the minutes of the Council.**
4. Who is authorised to sign cheques? **Payment by BACS is now used following change of bank to Unity Trust Bank. These are recorded in the minutes as being authorised so the Clerk can make the required payments.**

D.. VAT issues

1. Is VAT shown separately in the accounts? **Yes**
2. When was VAT last reclaimed? **£432 was received 1st April 2025 with £1615 being received on 18th February 2026.**

3. How much reclaimable VAT is outstanding? **Only £223 with £200 relating to the gazebo. It is pleasing to note that my recommendation to make an application for repayment of VAT no later than February so that the Council is aware of the cash available for the following financial year has been taken up.**

E. Risk

1. Have the risks been listed and an assessment made regarding the minimisation of risk? **Yes. This list includes the need to monitor street lights to advise the contractor of problems.**
2. Is there sufficient management of risk? **Yes – particularly in respect of financial implications (See under insurance).**

F. Internal checks and audit

1. Has the Council undertaken a review of internal checks and audit? **Yes.**
2. Are there any specific points that the internal auditor should look at? **No. The current auditor is an ex-clerk well versed in internal checks for Parish Councils/clerks.**
3. Does any council member check the accounts during the year? **The spreadsheets and bank statements are made available for checking when requested.**

G. Budget

1. Has the council budgeted in a clear and adequate way? **Yes. The precept was increased by £1000 to £22800.**
2. How often does the clerk provide progress reports of the actual position compared with the budget? **The current level of income/expenditure is made available at each meeting.**

H. Income

1. What checks are in place to ensure the correct precept has been received? **Advice from North Yorkshire Council received and check of Bank Statement**
2. Was all other income received as expected? **Yes**
3. Does the system of receipt of income ensure that it is properly recorded and promptly banked? **Yes**
4. Was VAT on income (where relevant) properly accounted for? **Not applicable.**

I. Balances/Reserves

1. Are all account balances shown? **Yes.**
2. Are "surplus" balances invested in the best (safe) account to maximise interest? **Most of the money is kept in an Instant Access account, which receives the precept and VAT refund direct, with money being transferred to the current account as required.**
3. Are the reserves appropriate for the known plans of the Council? **The reserves stand at £35666 which represents 136% of the expenditure in 2025/26. This is well above the normal guide line of having a minimum of 6 months spending on hand at the end of the financial year. However, this does include the roundly £8500 relating to ringfenced CIL projects so reducing the figure to 104%.**

J. Petty Cash

1. Is there an adequate check on petty cash? **There is no petty cash as the clerk is reimbursed any payments made on behalf of the Council.**
2. Were items properly supported by receipts and expenditure approved? **Yes**
3. Is VAT properly accounted for, where appropriate? **Yes -- if receipt contains information concerning value of VAT and VAT number of supplier.**

K. Employees' Pay and Conditions

1. Are there a clear minute and also a contract detailing the employees' pay and conditions? **Yes.**
2. Are payments made according to these details? **Yes.**
3. Have the new procedures for registering the Parish Council and the Clerk with HMRC been actioned? **Yes, with Autela Payroll Services doing the work including real time reporting.**
4. Are PAYE Income Tax and NI payments being made by the prescribed manner? **The system will calculate the appropriate income tax and NI payments as appropriate though is not appropriate currently..**

L. Assets and Investments

1. Is there a list of assets and investments that is checked/modified on an annual basis? **Yes. A full list of Parish assets has been compiled as well as the street lights.**

M.. Insurance

1. When was this last reviewed to ensure that all assets /risks were covered? **All the street lights for which the Parish Council is responsible are insured against damage by road vehicles.**

N. Debtors and Creditors

1. Is there a record of money owing and owed? **Yes.**
2. What are the details, if appropriate? **VAT reclaimable. (See above)**

O. Section 137 payments

1. Is there a clear separate list of S137 payments? **Yes**
- 2.. How much was donated during the financial year? **£1350 under Section 137 reflecting donations to North Duffield Primary School, Skipwith and North Duffield Over 60 club and S&ND Playing Field Association.**

P. Auditors Comments

I am pleased to report that the financial controls and accounting for the Parish Council, which is active in the community, are sound and well managed by the Clerk.

**B Hopper
May 2026**