



Internal Audit Review June 2025

Audit Trail Checks covering April 2024 – March 2025 Plus, Year End AGAR & Governance

Provided by: Account-ant Yorkshire Limited

For: Andrew Towlerton, Parish Clerk and Responsible Financial Officer

Date Issued: 26th 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.

1

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 Ecclesfield Town Council originally commenced on 23rd February 2023. We started with the year ending 22/23. At the time of writing this report in June 2025 we were reviewing the financial systems and governance of the 24/25 financial year
- VI. All aspects of internal audit were covered.

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.

2

About Account-ant Yorkshire Limited

Ecclesfield 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)

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.

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 have been completed remotely. My contacts being Andrew Towlerton & Laura Tickle.

I have met Andrew Towlerton & Laura Tickle via a Zoom call.

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.

We have made some recommendations in the last section of this report for future improvements.

Where information resulting from investigation and/or audit work is in 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.

Findings

Proper Bookkeeping

Ecclesfield Town Council uses an Accounting System called Rialtas to record all its financial transactions. The system is arithmetically correct. Monthly Reconciliations are undertaken as a minimum. Payments are reviewed and authorised at Full Council meetings which are held monthly

Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed at Full Council in September 2024, however the version on the website at the time of writing the report was 2025. A link has been provided below

Standing Orders:

<https://ecclesfield-pc.gov.uk/wp-content/uploads/2025/05/Draft-Standing-Orders-2025.pdf>

Financial Regulations:

<https://ecclesfield-pc.gov.uk/wp-content/uploads/2025/06/Draft-Financial-Regulations-2025.pdf>

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.

5

Documentation Readoption by Finance & Premises Committee

All of the following can be found <https://ecclesfield-pc.gov.uk/document-category/policies/>

Each item below is a link to the relevant policy on the website:

We have seen evidence of the policies being reviewed throughout the year by the Finance and Premises Committee. To save listing these in the report we have provided a link above.

Payment Controls

Staffing

The Finance Department at Year End Audit comprised of two members of staff. The RFO and Administrative Support

Purchases above De Minimus

Items over £3000 have the relevant contract in place and/or 3 quotes have been received unless the work undertaken was specialist and agreed at Full Council. We have been provided which evidence for relevant items.

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 given during each Full Council Meeting.

VAT reporting

We received VAT 126 forms, a breakdown of the suppliers included. All expenses claimed appeared to be for VAT related companies bar one VAT code that looked to be incorrect (see recommendations section).

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.

6

S137 Expenditure

The Council has General Power of Competence and therefore is not required to report S137 expenditure separately.

As the Council has General Power of Competence, they cannot use the S137 Power.

Grants Given

Grants given over £2k resulted in the recipient providing a report within 12 months of receipt. The Auditor has noted from the Finance and Premises Committee several discussions around the monitoring forms issued to Grant recipients. We have also received information from the team with regards this process.

Risk Management Arrangements

Risk Assessments

Corporate Risk Assessment uploaded to our portal was for 25/26. We reviewed the one dated 24/25 on the website under this URL: <https://ecclesfield-pc.gov.uk/wp-content/uploads/2024/07/Corporate-Risk-Assessment-2024-2025.pdf>

It appears to be duly considered and complete.

Burial Authorities

This Council is not a Burial Authority

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 with Zurich; the policy is due for renewal in July 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.

7

Internal Controls

The Internal Controls are set out in the Financial Regulations.

Once a month a Councillor attends site. There are two councillors that often check the records on separate occasions, one focuses on checking payroll is correct whereas the other

Councillor checks the invoices going through the bank statements and initials the invoices accordingly.

The Chair of the finance committee also comes in for a monthly meeting before the accounts vs budget is given to Full Council monthly.

At the time of the Internal Audit, the Auditor had not sight of signed internal controls sheet.

Investments

The council has an Investment Policy, and a Reserves Policy was implemented in 2023, follow a recommendation from us in a prior Audit period. The policy is documented as requiring review in November 2025.

Having reviewed the policy in 24.25, the policy states the Council should have between 3 and 6 months within General Reserves. At the time of writing this report the Council had approximately 5.5 months – which is towards the “upper” end. We would therefore encourage the Council to review as early as possible.

It has an investment with Scottish Widows in the “Business Fund” Account but this is an easy access account which therefore means it does not sit in the “Long Term Investment” section of the AGAR

We would like to draw the Councils attention to the extremely low interest rates being achieved in this account. This is, in our opinion not working as hard for the Council as it could be.

GDPR

The GDPR policy forms part of the Privacy Policy and is appropriate

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.

8

Budgetary Controls

Budget Preparation

The Clerk/RFO develops an initial budget proposal to assist Councillors with deciding the level of precept required. This is presented to Finance & Premises Committee in December. Amendments/adjustments where necessary are made before the January Full Council meeting. Along with this proposal is a plan for expenditure and a precept calculation. There are several different scenarios provided to the Council for discussion at Full Council.

The same process has worked effectively for several years.

Budget Reviews

The actual vs budgets are reviewed at Finance and Premises Committee monthly.

Budget Variances

The actual spend is broadly in line with the precept (and therefore budget).

Income Controls

Precept

The precept is requested via email. We have checked the Precept received as per the request.

Cash and Near Cash Securities

The Council holds a small amount of Petty Cash. The petty cash is locked and kept in a locked room. There is very little opportunity for theft.

At the time of writing this report we had not had sight of the Petty Cash “cash up” record so we could not confirm the balance. This has not affected our decisions within the AIAR as it is immaterial in value.

Mayoral chains are kept in a fireproof safe in Andrew’s office, however, the safe cannot be locked.

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.

Mayoral chains are fully covered on insurance if they stay overnight at the Mayor's home.

Income Properly Recorded and Banked

Income is promptly banked when it occurs

Multipay Card/Credit Card

The Council does not have a Credit Card or Multipay 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

We chose to December payroll. Originally the information provided was not in the format request and not the same as prior year. We suggest the team always looks at what was requested in prior year to save confusion and use time effectively.

PAYE, NIC and Pension Payments

There was a slight difference on the DD for pensions, we would expect the DD to be taken a minimum of 3 days after payroll is sent. However, neither December nor January payments matched exactly to the payroll summary provided. We suggest this is reviewed internally.

PAYE paid in January relates to December 2024 pay and is correct.

Expenses

No expenses were chosen as part of the sampling of income and expenditure

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.

Approval of salaries and increments

The Council adopts NJC terms and conditions. NJC increases are budgeted and reported to Council. This is across the board apart from the cleaning staff and has been the same process for several years

Minimum Wage Threshold Met

One member of staff is currently on Minimum Wage

HR Procedures and policies adopted

There are internal HR Policies and procedures which have been created following guidance from a professional body

Training Policy and record for staff and elected members

There is a training policy and training requirements are monitored regularly.

Qualified Clerk

RFO is CILCA qualified

Annual Staff Appraisals

Appraisals are undertaken.

H&S review of Staff Workstations and PC equipment

H&S at work policy is in place

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.

Asset Control

Register

The asset register is updated when assets are purchased and is up to date.

The value of Assets in the 23/24 changed and was submitted to PKF. The figure for 23/24 does not match the Asset Register.

Insurance

The Clerk/RFO has provided extension additional information after we raised concerns with the value of assets in the Insurance Schedules vs the Asset Register.

We believe the team has this in hand and it has not affected our opinion within the AIAR.

Bank Reconciliations

Bank Reconciliations are present for all accounts. These are reconciled monthly in Rialtas and matched to the physical bank statements. No difference observed

Grants

A log of receipt vs expenditure is kept for Grants received. Grants given are regularly monitored and the recipient complete a monitoring report when appropriate. We have seen evidence of this.

Accounting Principles

The Council are operating as Income and Expenditure.

Accruals, Prepayments, Debtors & Creditors

The Council has provided information on the above I&E Accounting principles.

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.

Transparency Code

We believe the Council is complying with the requirements of the Transparency Code of their size of Council.

Allotments

The Council does not have Allotments

Facilities Management

The council manages a Hall. They do not use any third party software for this. Invoices are processed through Rialtas. The Council have confirmed they do not have long term tenants and therefore no tenancy agreements have been reviewed

Earmarked Reserves

The Council has implemented a Reserves Policy in 2023, it is due for further review in November 2025, However, we would recommend yearly review. See recommendations.

Monies in Bank

The Parish maintains several bank accounts. Overall monies in bank are £200k. General Reserves are £143k which is approximately 5 month's expenditure. This is within the Reserve Policies however, it is at the higher end. Added to recommendation section.

Year End & AGAR

Section 2 is accurate and matches the Trial Balance and Bank Account Statements for 2024/25

At the time of writing this report the Year end 2024 on the presented AGAR did not match the one we signed off in 23/24.

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.

Trust Funds Independent Examination

The Council are Sole Trustees of Grenoside Exhibition Foundation which gives grants to young people for Educational Purposes. The Charity is Independently examined and is up to date per the Charity Commission records by a third party who is not the Internal Auditor.

Other items of Note

The council is registered with the Information Commissioners Office under membership number: ZA557164 and expires in November 2025

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

Arrangement for inspection of public records

A copy of the Council's Model Publication Scheme can be found

<https://ecclesfield-pc.gov.uk/wp-content/uploads/2024/07/Model-Publication-Scheme-2024.pdf>

Memberships

The Council has many memberships in place to assist with the successful management of the Council and its amenities.

SLCC

NALC

ICO

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.

Recommendations/Further Information Required

- Asset Register provided with a column called purchase date where the words entered as e.g. “purchased spring 2024” – can we just enter a date please – it’s easier to comprehend and check.
- I suggested on a previous Audit that a disposals section be added at the bottom of the Asset register – the clarify this is because we check the movement on the assets year on year (24/25 example - £463,452 from 23/24 plus items indicated as additions less a photocopier gifted does not equal the balance of 24/25). So, whilst we can see from Meeting minutes the asset register being discussed, we cannot verify the movement is correct.
- The Favicon for the Council does not appear to be quite as expected (although we do consider this an extremely small point of recommendation)



- The Scottish Widows account is providing very poor interest rates
- The General Reserves are £143K which is approximately 5.5 months of expenditure. The most recent Reserves Policy on the website is dated 2023 and we would recommend this be added onto the review list for 25/26 as it states on the Policy it is due for review in November 2025. We would recommend this policy be reviewed yearly.
- We notice the return published on the website for 23/24 had a different number for Assets than the report we signed off in June 2024. The Figures on the Accounting Statement should never change after the Internal Audit has been completed. If they do you must contact the Internal Auditor as it could appear we have approved these changed figures, when in fact, we have not.
- The description of the website for the AGAR 23/24 made it difficult to find, in our opinion.
- The Pension payment for December £2389.24 is different to the DD on the bank – suggest internal review to ensure not different overall in a tax year.
- For clarification our checks on the Finances of Ecclesfield Town Council have been based on the Accounting Statements provided which match to the below screenshot. At the time of writing this report. Nothing the 2024 does not match the Asset register figure, as previously mentioned.

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.

Section 2 – Accounting Statements 2024/25 for

Ecclesfield Parish Council

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|---|
| | 31 March 2024 £ | 31 March 2025 £ | |
| 1. Balances brought forward | 193,477 | 190,064 | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year. |
| 2. (+) Precept or Rates and Levies | 274,756 | 287,111 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 26,927 | 31,075 | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received. |
| 4. (-) Staff costs | 131,137 | 139,953 | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments | 0 | 0 | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | 173,959 | 166,820 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 190,064 | 201,477 | Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6). |
| 8. Total value of cash and short term investments | 185,954 | 200,782 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation. |
| 9. Total fixed assets plus long term investments and assets | 463,452 | 465,573 | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March. |
| 10. Total borrowings | 0 | 0 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

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.