



Becky Carter  
Parish Clerk  
North Cadbury and Yarlington Parish Council  
Portman House  
North Barrow  
BA22 7LZ

24<sup>th</sup> May 2026

Dear Becky,

### **INTERNAL AUDIT 2026**

Parish & Town Auditing Services have been appointed to undertake the internal audits at North Cadbury and Yarlington Parish Council. The annual internal audit for 2025/26 financial year was completed on 24<sup>th</sup> May 2026.

I can confirm that I am independent of the Parish Council.

As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete the internal audit section of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These controls are included in the following report.

The Audit has identified a number of recommendations to help update and improve the Council's current procedures. The audit has found no areas of concern and the Council's procedures and controls are generally working well.

Thank you for all the information you have provided to enable the audit to be undertaken.

Yours sincerely,

Paul Russell, Internal Auditor

## **INTERNAL AUDIT**

Outlined below is an overview of the 10 Assertions within the Practitioners Guide 2025. Each of these are dealt with under the relevant Governance sections contained in Section 1 of the AGAR:

### AGS Assertion 1 — Financial management and preparation of accounts

- Accounting Records and supporting documents:
- Bank reconciliation:
- Budget setting:
- Investments:
- Reserves:
- General Reserves:
- Earmarked and other reserves:

### AGS Assertion 2 — Internal control

- Standing Orders and Financial Regulations:
- Safe and efficient arrangements to safeguard public money:
- Employment:
- VAT
- Fixed assets and equipment:
- Loans and long-term liabilities:

### AGS Assertion 3 — Compliance with laws, regulations and proper practices

- Acting with its powers:

### AGS Assertion 4 — Exercise of public rights

### AGS Assertion 5 — Risk management

### AGS Assertion 6 — Internal audit

### AGS Assertion 7 — Reports from auditors

### AGS Assertion 8 — Significant events

### AGS Assertion 9 — Trust funds (local councils only)

### AGS Assertion 10 — Digital and data compliance

The following headings are based on Section 1 – Annual Governance Statement.

**A. Appropriate accounting records have been properly kept throughout the financial year.**

The Clerk to the Council has been appointed as RFO (LGA1972 s151).

**Recommend that this be added to the Parish Clerk details on the website.**

The roll over figure is £24,669 (Box 7).

The Council maintains its accounts using a spreadsheet. A sample of the financial transactions between 1<sup>st</sup> April and 31<sup>st</sup> March 2026 has been undertaken. The following checks were carried out:

- A review of the cashbook against the bank statements and invoices paid;
- A sample of Payments have been checked against the bank statements to verify accuracy;
- Expenditure incurred is appropriate.

There is a robust process in place to ensure that financial information is correctly recorded and reported to Council as part of its governance procedures. Procedures are included in the Financial Regulations.

A list of invoices for payment is presented to Full Council for payment. Invoices are approved by two Councillors following authorisation. Ratification of payment is minuted in the Council minutes and payment is via online banking.

The Council has a [Risk Management Register](#) in place. This has been reviewed during the year.

Bank reconciliations are prepared monthly, presented to Full Council as part of the agenda papers and signed off by Council. The bank reconciliations are uploaded onto the Council's website: [Link](#)

There is appropriate segregation in place.

The year end bank reconciliation has been completed. This was referenced back to the bank statements. The final balance held by the Council amounts to £33,836.95 as at 31<sup>st</sup> March 2026.

**The Council has met this control objective.**

**B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.**

Tenders and Contracts are governed by Financial Regulations. All contracts being tendered should be published on the Parish Council's website as well as the Find a Tender portal where required.

Standing Orders and Financial Regulations are based on the latest versions. The limits between the two documents are consistent.

**Recommend that the footnote that references Contracts Finder be deleted from Financial Regulations as this has now been replaced with Find a Tender.**

The following financial process is in place:

- The Council now maintains its financial records using the Scribe accounting system;
- The Clerk/RFO is responsible for financial transactions;
- Invoices are verified for accuracy on receipt and coded to the correct cost centre;
- Invoices are now saved electronically into the financial software;
- All payments are reported to Full Council for approval;
- Payments are authorised by Full Council and minuted;
- Clerk/RFO uploads payments onto the online banking app;
- All payments are authorised by two Councillors.

There is appropriate segregation in place.

VAT is normally claimed annually. The claim for 2025/26 has been submitted (£503.10). The previous year's claim has also been received (£187.42).

The Council does not have a debit card in place.

The Council does not have General Power of Competence in place.

**The Council has met this control objective.**

**C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

The Council has a Risk Management Policy in place which has been reviewed.

The Council is insured through Zurich. Policy number YLL-2720839593: Cover runs from 1<sup>st</sup> June 2025 to 31<sup>st</sup> May 2026.

A review of the insurance policy has been undertaken and Council is adequately insured. The policy includes Employers Liability (£10 million), public liability (£12 million), Fidelity Guarantee (£250k) and libel & slander (£250k).

The Council is not responsible for any play areas.

The Council has good internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently.

**The Council has met this control objective.**

**D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

The budget and precept were set by resolution at the Parish Council meeting on 22<sup>nd</sup> January 2025. Minute 25/15 refers.

c. To consider Budget & Precept figures for 2024/2025. To agree on a figure for the Precept. Proposal to increase precept from £22,850 to £27,000. The Clerk previously distributed the draft precept for 2025/2026 with supporting notes (Attachments 1 and 2). **RESOLVED:** Following a brief discussion, councillors agreed unanimously to increase the precept from £22,850 to £27,000.

It has been confirmed that a precept of £27,000 was requested. (North Cadbury £23,912 MHCLG Parish Code E3301P202: Yarlington £3,088 MHCLG Parish Code E3301P327)

Budget monitoring is reviewed regularly by Full Council as part of its financial report information and during budget setting.

The Council has set up Earmarked Reserves. Year end balance was £15,987.67.

The Council has adequate General Reserves of £17,849.28 in place at year end. The Council had the following Bank Statement Balances as at 31<sup>st</sup> March 2026:

ACCOUNT	AMOUNT
Lloyds Community Account	£197.73
Lloyds Business Instant Account	£33,639.22
<b>TOTAL</b>	<b>£33,836.95</b>

**The Council has met this control objective.**

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

The Council does not have any aged debtors.

The Council does not manages the allotment site in North Cadbury. Although it was gifted the land the North Cadbury Allotment Association manages the site: [Link](#)

The Council is not a burial authority.

The Council does not hire out any venues.

Council's other income for 2025/26 included bank interest and CIL income. This is all correctly recorded within the accounts.

**The Council has met this control objective.**

**F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.**

The Council does not operate a petty cash system and did not receive any cash payments during the financial year.

**The Council has met this control objective.**

**G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.**

The Clerk has a contract of employment in place.

Members do not receive a members' allowance.

A sample of the Clerk's payslips have been reviewed. Gross pay is calculated in accordance with the relevant NJC scale. Tax codes are included on the payslips and deductions properly calculated. Payroll is undertaken internally using the HMRC basic tools software.

Council is not in a pension scheme.

A test sample was undertaken and it was confirmed that the correct net pay was paid to the employee with tax and NI contributions correctly deducted.

Employers National Insurance contributions of £154.98 was paid during the year (21/10/2025). The year end amount owed amounted to £340.59. It appears that there is a balance of £185.61 outstanding. **Recommend that this be reviewed and paid if outstanding.**

**The Council has met this control objective.**

**H. Asset and investments registers were complete and accurate and properly maintained.**

An Asset Register is in place. Current value of the assets amounts to £6,106. This has been correctly stated in Box 9 of the draft AGAR. The asset register has been updated and the new defibrillator has been added.

A comparison of the insurance schedule against the asset register has been undertaken. Council has adequate insurance cover in place.

Council has no long-term investments in place.

Council has no loans in place.

**The Council has met this control objective.**

**I. Periodic bank account reconciliations were properly carried out during the year.**

Bank reconciliations are prepared monthly, uploaded onto the Council website and are signed off by Full Council.

**The Council has met this control objective.**

**J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**

Accounts are maintained on a receipts and payments basis. Receipts and payments agree to the cash book and are supported by an adequate audit trail.

**The Council has met this control objective.**

**K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick “not covered”).**

Not covered.

**L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.**

The following information should be published on the Parish Council’s website under the Smaller Authorities Transparency Code ([SI/SR Template](#))

#### **Expenditure exceeding £100**

Local authorities must publish details of each individual item of expenditure that exceeds £100. [Published](#)

#### **End of year accounts**

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. [Published](#).

#### **Annual governance statement**

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. [Published](#).

#### **Internal audit report**

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. [Published](#).

#### **List of councillor or member responsibilities**

Annual publication of councillor or member responsibilities no later than 1 July in the year immediately following the accounting year to which it relates. [Published](#)

#### **Location of public land and building assets**

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Parish councils and port health authorities to publish details of all public land and building assets – either in its full asset and liabilities register or as an edited version. [Published](#)

### **Minutes, agendas and papers of formal meetings**

Publication of draft minutes from all formal meetings not later than one month after the meeting has taken place. Publication of meeting agendas and associated meeting papers not later than three clear days before the meeting to which they relate is taking place. [Published](#).

**The Council has met this control objective.**

**M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set*).**

The publication requirements were met. The Notice states 3<sup>rd</sup> June to 14<sup>th</sup> July 2025. This meets the statutory 30 day requirement.

The Council formally minuted the dates of the public notice at the meeting where the AGAR was approved on 19<sup>th</sup> May 2025. (Minute 25/77.d)

The Notice was uploaded onto the website.

**The Council has met this control objective.**

**N. The authority has complied with the publication requirements for 2024/25 AGAR.**

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage: Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited: [Published](#)
- Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4: [Published](#)
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: [Published](#)

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report. [Published](#).

**The Council has met this control objective.**

**O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.**

Council has a .org.uk email addresses for the Clerk. Although Council does not have a .gov.uk domain it does meet best practice advice by having a .org.uk domain for its website and email account.

The Council has adopted an [IT policy](#) as required.

The Council has an [Accessibility Statement](#) published on its website.

**Note** that since September 2020, all parish and Parish councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1 AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

It has been confirmed that North Cadbury and Yarlington Parish Council website complies with WCAG 2.2 AA. It achieves 91%: [Scan Results — Compliant](#)

Accessibility has been reviewed and the parish council section of the website scores 10 out of 10. [WAVE Report of North Cadbury and Yarlington Parish Council](#)

Data Protection requirements:

- Data Protection Lead – Confirm DP Lead
- Data Audit: To be undertaken.
- Training for staff and Councillors: Councillor and staff have undertaken relevant training during the year.
- Data Protection Policy: To be updated.
- Document Retention Policy: Not in place
- Both hard copy and electronic data have relevant protections in place.

A Freedom of Information Policy is in place: [W&F Publication Scheme](#)

The Council meets the Smaller Councils Transparency Code as required.

**The Council has met this control objective.**

**P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

The Council is not a sole trustee.