



# Year End Audit Report

Cullingworth Parish Council

Period Audited: April 2023-March 2024

YEAR 24/25

Objective (Automated)	QUESTIONS	Answer	Recommendations
Proper Bookkeeping	What systems are used - ieScribe/Rialtas/Edge/Excel/Quickbooks etc	Excel	
Proper Bookkeeping	Is cashbook maintained and up to date?	Cashbook now in Excel format and is maintained regularly and up to date.	
Proper Bookkeeping	Is cashbook arithmetically correct?	Yes. The cashbook is arithmetically correct.	
Proper Bookkeeping	Is the cashbook regularly balanced?	Yes. The cashbook is balanced monthly.	
Proper Bookkeeping	What basis are the accounts made up on - cash or accruals?	Cash	

A) Standing Orders  
and Financial  
Regulations  
adopted and  
applied;  
AND

B) Payment Controls

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Has the council formally adopted standing orders and financial regulations?

Has a Responsible financial officer been appointed with specific duties?

Have items or services above the de minimus amount been competitively purchased?

Are payments in the cashbook supported by invoices, authorised and minuted?

Has VAT on payments been identified, recorded and reclaimed?

Does the Council have General Power of Competence?

Financial Regulations adopted 12 February 2025, Standing Orders adopted 7 May 2024. Neither available on the Council's website.

Yes. The Clerk acts as RFO.

Yes.

Yes. A good audit trail is evident. Invoices have been checked against the cashbook.

VAT has not been reclaimed for 2023/24 or 2024/25. The Council must ensure that a VAT 126 claim is submitted to HMRC as soon as possible. It is good practice to do this at least annually.

No. The Council does not have the GPC.

It is recommended that the Council display its Standing Orders, Financial Regulations, and other important policies and procedures (Risk Assessment, Health and Safety policy, Complaints Policy, FOI/Data Protection Policy and Press/Media Policy) on its website.

It is recommend that a VAT 126 claim be submitted to HMRC as soon as possible for the period 1st April 2023 - 31st March 2025.

A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls Risk Management Arrangements	Is s137 expenditure separately recorded and within statutory limits?	Yes.
Risk Management Arrangements	Does a review of the minutes identify any unusual financial activity?	None.
Risk Management Arrangements	Do minutes record the council carrying out an annual risk assessment?	Yes. A risk assessment is now in place following last year's recommendation and 'no' response to Objective C. The risk assessment is not available on the Council's website.
Risk Management Arrangements	Is insurance cover appropriate and adequate?	Yes. Insurance cover is in place and adequate.
Risk Management Arrangements	Are internal financial controls documented and regularly reviewed?	Yes.
Risk Management Arrangements	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	N/A
Burial Authority	Has a sample of burials and interments been tested and the relevant paperwork and payments found to be in place?	N/A
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Draft prepared by Chairman and Clerk, then discussed at budget meeting by Village Council and final version approved in January meeting
Budgetary Controls	Is actual expenditure against the budget regularly reported to the council?	Reported monthly at Village Council meeting
Budgetary Controls	Are there any significant unexplained variances from budget?	None.
Income Controls	Is income properly recorded and promptly banked?	Yes
Income Controls	Does the precept recorded agree to the Council Tax authority's notification?	Yes
Income Controls	Are security controls over cash and near-cash adequate and effective?	Yes
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	£36 petty cash is being held

Petty Cash Procedures	Is petty cash expenditure reported to each council meeting?	Yes
Petty Cash Procedures	Is petty cash reimbursement carried out regularly?	Yes
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
Payroll Controls	Do salaries paid agree with those approved by the council?	Yes
Payroll Controls	Are other payments to employees reasonable and approved by the council?	Yes
Payroll Controls	Have PAYE/NIC been properly operated by the council as an employer?	Yes.
Asset Control	Does the council maintain a register of all material assets owned or in its care?	Yes. Asset register is up to date and contains records of all assets held by the Council.
Asset Control	Are the assets and Investments registers up to date?	Yes. Asset register is up to date and contains records of all assets held by the Council.
Asset Control	Do asset insurance valuations agree with those in the asset register?	Yes. Asset register is up to date and contains records of all assets held by the Council.
Bank Reconciliation	Is there a bank reconciliation for each account?	Yes. Bank Reconciliation completed at year end for all accounts.
Bank Reconciliation	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes. Monthly.
Bank Reconciliation	Are there any unexplained balancing entries in any reconciliation?	None.
Bank Reconciliation	Is the value of investments held summarised on the reconciliation?	Yes
Year End Procedures	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes. Receipts and Payments.
Year End Procedures	Do accounts agree with the cashbook?	Yes
Year End Procedures	Is there an audit trail from underlying financial records to the accounts?	Yes. A good audit trail is evident.
Year End Procedures	Where appropriate, have debtors and creditors been properly recorded?	N/A
Market Authority	Is the Council are Market Authority and if so please provide a list of regular market traders so we can check their contracts & a rate card for contracted and casual traders	N/A

Facilities	Do you manage any facilities, what systems do you use to record bookings and payments?	N/A	
Other Issues	Is the Council registered with the Information Commissioner? If so what is the Reference Number and what is the date of expiry	Yes. ZA437939	
Other Issues	What arrangements does the Council have for the back up of computer files?	Microsoft OneDrive - cloud based storage in place.	
Other Issues	Does the Council have responsibility for any Trust Funds or Charities? If so, are they independently examined?	No	
Other Issues	Record of Minutes	No issues.	
Other Issues	Do the Council have a .gov.uk domain and dedicated email addresses for Council business?	Yes. The Council does have a 'gov.uk' domain name but it must ensure it now complies with the new audit regulations for 2025/2026. See recommendation. The Council domain name is also different to the Council's name - parish / village.	See Practitioners' Guide Page 14 for information on requirements for websites and email addresses for 2025/26. Available to download here: <a href="https://www.nalc.gov.uk/resource/practitioners-guide-2025.html">https://www.nalc.gov.uk/resource/practitioners-guide-2025.html</a>
Other Issues	Internal Audit report published by 1st July on the website?	Requirements were met for public inspection. The Council did not publish Section 3 - External Auditor Report and Certificate or Section 2 of AGAR. The Annual Internal Audit Report (AGAR page 3) is also not published on the website.	The Council must ensure that the full AGAR (all sections) are available on the website.
Other Issues			

# Cullingworth Village Council

## Annual Internal Audit Report

### 2023/2024 (Continued)



The Internal Auditor has answered 'No' to Internal Control Objective C for the following reasons:

**Cullingworth Village Council does not have a financial risk assessment in place at present.**

**The Council has not carried out an assessment of the risks and has therefore not taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.**

The JPAG guidance states that the Council must:

Identifying and assessing risks — The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.

Addressing risks — Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

In order to warrant a positive response to this assertion, an authority must have appropriate arrangements in place. As a minimum, an authority must identify and assess risks, and address those identified risks by mitigating or managing them.

Appropriate arrangements will vary and need to be proportionate to the size and nature of the operations of an authority.

Smaller authorities should identify both financial and operational risks. The record should include controls/ mitigation and be formally reported and considered by the authority annually.

Larger authorities are likely to adopt more extensive procedures, which, whilst reflecting the basic principles above, may utilise a risk assessment matrix and undertake more extensive risk arrangements (e.g. a working party to consider risks) and/or a full risk register.

Risks are uncertain events or conditions (not just financial) that if they occur, will affect the authority's ability to achieve its objectives. The authority generally, and members individually are responsible for risk management.

Typical categories of risks include:

- financial – loss of money;
- security – fraud, theft, embezzlement;
- property – damage to property;
- legal – breaking the law or being sued;
- IT – failure of IT systems or misuse or data loss; and

- reputational – actions taken could harm the authority’s public reputation.

Risks are unavoidable, but they need to be managed either by mitigation or controls such that they are tolerated, treated, transferred or terminated.

Insurance is a significant way of managing and reducing risks relating to property, cash and legal liability (amongst other things).

Authorities could use a simple risk assessment matrix as follows:

Priority of risk management				
Likelihood of occurrence	Highly Likely (score 3)	Medium (3 x 1)	High (3 x 2)	Very High (3 x 3)
	Possible (score 2)	Low (2 x 1)	Medium (2 x 2)	High (2 x 3)
	Unlikely (score 1)	Very low (1 x 1)	Low (1 x 2)	Medium (1 x 3)
		Negligible (score 1)	Moderate (score 2)	Severe (score 3)
Impact				

A proforma risk assessment template that authorities can adapt for their own use is included in [Section 6 of JPAG](#).

**Recommendation:** The Council must carry out and adopt a risk assessment in line with the above guidance as soon as possible. The risk assessment must be reviewed annually at a meeting of the Council.

Clare Smith  
Account-ant (Yorkshire) Ltd  
30th April 2024