Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Yarkhill Parish Council 2025/26

1. Introduction

In relation to the 2023/24 accounts objections were submitted to PKF the Parish Councils External Auditor, a reply was dated 20th February 2025 was sent to the Parish Council, with recommendations to be actioned. The letter was received with one month of 2024/5 remaining, therefore when considering the 2024/25 Internal Audit Report and recommendations this must be borne in mind.

Prior to the Internal Audit commencing the Parish Clerk resigned and due to circumstances was not contacted during the review.

It should also be noted that the Parish Council website in operation in 2024/25 has been taken down, which meant that verification regarding publication requirements could not be conducted which has led to a no assessment in the relevant areas. In addition, there were no signed minutes summited however for the review unsigned minutes were submitted and used.

The minutes received covered the following dates 14th November 2023, 5th March 2024, 14th Mauy 2024, 30th May 2024,13th August 2024, 17th December 2024 and 25th March 2025.

All liaison during the Internal Audit review was with Cllr Steve Kirby. (Acting Responsible Finance Officer)

During the 2025-26 Financial year Cllr Steve Kirby continued to act as Acting Responsible Officer, with a permanent Responsible officer being appointed in April 2026, therefore the recommendations made in the 2024/25 Internal Audit Report dated 25th February 2026 would not have been actioned so as to have any impact on the financial year 2025/26.

From the May 2026 minutes and the action plan it is clear that good progress will be made in the 2026/27 financial year, therefore where 2024/25 recommendations would have been duplicated in 2025/26, the 2024/25 recommendation will still stand and should be considered at the 2026/27 Internal Audit.

2. 2024/25 Internal Audit recommendations?

No	Recommendation	Actioned
4.1	In the cashbook cheques should be entered in cheque number order.	Yes
4.2	All payments should be authorised and supported by supporting documentation.	Partly
4.3	The Parish Council should ensure that any review of insurance by the Parish Council is entered in the relevant minute.	No
4.4	The Parish Council conduct a review of its internal control procedures annually.	No

No	Recommendation	Actioned
4.5	Before setting its precept, the Parish Council must consider and approve its budget.	Pending
4.6	The Parish Council must ensure that budget monitoring reporting to the Parish Council takes place as required by the Practitioner's guide.	No
4.7	The Parish Council must adopt a Reserves Policy and review its reserves at least once a year.	No
4.8	All salary payments must be authorised by the Parish Council and supported by payslips.	Partly
4.9	Bank Reconciliations should be submitted to the Parish Council in line with the Practitioners guide.	No
4.10	There should be Councillor sign off of the Bank Reconciliations submitted to the Parish Council.	No
4.11	The Parish Council should ensure that the Panish Council minutes show that the Parish Council considered and approved the Certificate of Exemption.	N/a
4.12	The Parish Council ensures that it has a Parish Council website and ensures that arrangements are in place to ensure that the website is under the control of the Parish Council.	Yes
4.13	The Paish Council rectify the valuation issue before the Accounting Statement is approved.	Yes
4.14	The total other receipts figure be corrected before the Accounting Statement is approved.	Yes

3. Findings of the Audit

	Scope	Observation	Pass	Rec
3.A	Appropriate accounting records have been properly kept throughout the financial year		Yes	
3.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Unable to identify when Eyelid £650.00 and A Lees £35 invoices were authorised.	No	
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		No	
3.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly		No	

	Scope	Observation	Pass	Rec
	monitored; and reserves were appropriate.			
3.E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		Yes	
3.F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.		N/a	
3.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		No	
3.H	Asset and investments registers were complete and accurate and properly maintained.		Yes	
3.I	Periodic and year-end bank account reconciliations were properly carried out.		No	
3.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.		Yes	
3.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")*		N/a	
3.L	The Authority published the required information on a website/webpage up to date	The deadline was 30-06-25 and 30-09-25, documents	No	

	Scope	Observation	Pass	Rec
	at the time of the internal audit in accordance with legislation	considered and approved 02-04-26		
3.M	In the year covered by this AGAR the authority correctly provided 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 deadline was 30-06-25 and 30-09-25, documents considered and approved 02-04-26 therefore the legal Period was missed.	No	
3.N	The authority has complied with the publication requirements for 2024/25 AGAR	As above	No	
3O	The authority has complied with laws, regulations & proper practices relating to digital and data compliance	Although the 31-03-25 deadline was missed progress was made at the Parish Council meeting held in May 2026	No	**R.4.1 R.4.2**
3.P	Trust funds(including charitable) The council met its responsibility as a trustee		N/a	
3.Q	Annual Return Complete		Yes	

4. Recommendations

4.1 The Parish Council ensure that it has appropriate technical and organisational measures to protect data from breaches,

4.2 The Parish Council should include in its future work plan Data Protection Training and the Annual Data Audit

5. Annual Return- Internal Control Objective

	Objective	Yes	No	Not Covered	Rec No
A	Appropriate accounting records have been properly kept throughout the financial year	√			
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.		√		
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		√		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		√		

	Objective	Yes	No	Not Covered	Rec No
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	√			
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	N/a			
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.		√		
H	Asset and investments registers were complete and accurate and properly maintained.	√			
I	Periodic and year-end bank account reconciliations were properly carried out.		√		
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.	√			
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")*	N/a			
L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation		√		
M	In the year covered by this AGAR the authority correctly provided 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)		√		
N	The authority has complied with the publication requirements for 2024/25 AGAR		√		
O	The authority has complied with laws, regulations & proper practices relating to digital and data compliance		√		
P	Trust funds (including charitable) The council met its responsibility as a trustee	N/a			

HALC Internal Audit Services
28-05-2026