



Internal Audit

Boston Spa Parish Council

Year Ending 31 March

2026

Internal Auditor: Lesley Hanson

This internal audit report is based upon the Association of Local Councils recommended checklist, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

CONFIDENTIAL

Internal Audit Summary Checklist Report for Boston Spa Parish Council

Year Ending: 31 March 2026

Summary Checklist Report

Name of Council	Boston Spa Parish Council	Name of Clerk to the Council	Deborah Marshall
No. Of Councillors	10	Name of RFO (if different)	
Quorum	3	Precept (for audit year)	£78,417
Electorate	4079		

1. Governance and Policies				Comments & Recommendations
1.1	Financial Regulations have been reviewed this year and are properly tailored to the council?	Yes	No	Reviewed annually. Next review June 2026.
1.2	Standing Orders have been reviewed this year?	Yes	No	Reviewed annually. Next review June 2026.
1.3	Code of Conduct has been reviewed in the last two years?	Yes	No	Last reviewed December 2022. RECOMMENDATION That the Code of Conduct be reviewed at least every two years.

2. Book-Keeping				Comments & Recommendations
2.1	Ledger maintained & up to date?	Yes	No	The accounts are balanced monthly and are up to date to the financial year-end.
2.2	Arithmetic correct?	Yes	No	Checks of the Scribe accounting system confirmed that the cashbook and other accounts arithmetic were correct.

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2. Book-Keeping				Comments & Recommendations
2.3	Evidence of internal control?	Yes	No	<ul style="list-style-type: none"> • Internal audit • Budgetary control and monitoring • Bank reconciliation review by Council
2.4	VAT evidence, recording and reclaimed?	Yes	No	Testing indicated that VAT on income and expenditure had been correctly applied.
2.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	No	See Transaction Spot Check on page 8
2.6	Is S137 expenditure separately recorded and within statutory limits?	Yes	No	
2.7	Is S137 expenditure of direct benefit to the electorate?	Yes	No	

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3. Due Process				Comments & Recommendations
3.1	Equal Opportunities policy adopted?	Yes	No	RECOMMENDATION: The Council should consider adopting an Equal Opportunities policy (This is referred to in the Clerk's contract of employment)
3.2	RFO appointed?	Yes	No	Deborah Marshall was appointed as Clerk to the Council in January 2019.
3.3	List of member's interests held?	Yes	No	Available to view on the Council's website
3.4	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	No	The clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website.
3.5	Purchasing authority defined in Financial Regulations?	Yes	No	The current Financial Regulations stipulate that: <ul style="list-style-type: none"> • For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council or advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. • For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation¹ regarding the advertising of contract opportunities and the publication of notices about the award of contracts. • For contracts greater than £3,000 excluding VAT the Clerk shall seek at least 3 fixed-price quotes; • where the value is between £500 and £3,000 excluding VAT, the Clerk shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers. • For smaller purchases, the Clerk shall seek to achieve value for money.
3.6	Committee terms of reference exist and have been reviewed?	Yes	No	

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4. Risk Management				Comments & Recommendations
4.1	Does a scan of the minutes identify any unusual financial activity?	Yes	No	Minutes are prepared for all meetings of the Council, which meets monthly. No unusual financial activity was found in the minutes reviewed. Council minutes are available to view on the Council's website.
4.2	Is an annual risk assessment carried out?	Yes	No	The Council has a Risk Assessment in place, which was reviewed during the period being audited.
4.3	Is Insurance cover appropriate and adequate?	Yes	No	The level and range of insurance cover appears to be adequate for the size of the Council.
4.4	Evidence of annual insurance review?	Yes	No	The insurance renewal with Clear Councils was approved in the May 2025 meeting.
4.5	Internal financial controls documented and evidenced?	Yes	No	The Council's internal controls are documented as part of the Financial Regulations.
4.6	Minutes initialled, each page identified and overall signed?	Yes	No	All minutes are signed by the meeting Chair.
4.7	Regular reporting and minuting of bank balances?	Yes	No	Bank balances are circulated to Councillors prior to each meeting.
4.8	S137 expenditure minuted?	Yes	No	The approval of any S137 expenditure is correctly minuted, but not identified as S137 in the minutes. <u>RECOMMENDATION:</u> Any S137 expenditure is identified as such in the minutes

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5. Budget				Comments & Recommendations
5.1	Annual budget prepared to support precept?	Yes	No	A detailed budget is prepared annually by the Clerk.
5.2	Has budget been discussed and adopted by Council?	Yes	No	The budget for the financial year being audited was reviewed and approved by the Council at its January 2025 meeting.
5.3	Any reserves earmarked?	Yes	No	The Council holds a deposit of £467,330.36, which is listed as earmarked reserves.
5.4	Any unexplained variances from budget?	Yes	No	All explained as per the Annual Return and from financial reports presented to Council.
5.5	Precept demand correctly minuted?	Yes	No	The approved precept demand of £78,417 was forwarded to Leeds City Council by the deadline and was correctly minuted.

6. Payroll - Clerk				Comments & Recommendations
6.1	Contract of employment?	Yes	No	The Clerk received a contract of employment upon her appointment.
6.2	Tax code issued/contracted out?	Yes	No	The Clerk is remunerated through the payroll and has an applicable tax code.
6.3	PAYE/NI evidence?	Yes	No	The payroll confirmed that the Clerk's salary was subject to PAYE and NI.
6.4	Has Council approved the salary paid?	Yes	No	The Clerk's salary is approved within the setting of the annual budget and was approved on appointment.
6.5	Other payments reasonable and approved by Council?	Yes	No	

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7. Payroll - Other				Comments & Recommendations
7.1	Contracts of employment?	Yes	No	N/A as the Clerk is responsible for all the financial and administrative affairs of the Council.
7.2	Does the Council have employers' liability cover?	Yes	No	The Council has employer's liability cover of £10M.
7.3	Tax code(s) issued?	Yes	No	N/A
7.4	Minimum Wage paid?	Yes	No	The Clerk's remuneration exceeds both the applicable Minimum Wage and Living Wage.
7.5	Disciplinary, Grievance & Complaints procedures in place?	Yes	No	The Clerk's contract of employment includes sections relating to grievance and disciplinary procedures.

8. Asset Control				Comments & Recommendations
8.1	Does the Council keep a register of all material assets owned?	Yes	No	The Clerk is responsible for maintaining the asset register in Scribe.
8.2	Is the asset register up to date?	Yes	No	The asset register was up to date as at the financial year-end. No assets were purchased in in the current financial year
8.3	Value of individual assets included?	Yes	No	
8.4	Inspected for risk and health and safety?	Yes	No	Play, gym and skate equipment is inspected quarterly by Kompan and annually by The Play Inspection Company. A Parish Councillor inspects it every month.

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9. Bank Reconciliation				Comments & Recommendations
9.1	Is there a bank reconciliation for each account?	Yes	No	Reconciliations are undertaken for the bank accounts held by the Council: <ul style="list-style-type: none"> Lloyds Community Current Account; bank statement received monthly. Nationwide Business Instant Saver Account; bank statement received annually. NatWest Business Current Account; bank statement received monthly. NatWest Liquidity Manager 95 day; bank statement received monthly Redwood Savings Account; bank statement received annually.
9.2	Reconciliation carried out on receipt of statement?	Yes	No	All bank accounts are reconciled individually on receipt of statement.
9.3	Any unexplained balancing entries in any reconciliation?	Yes	No	
9.4	Is the bank mandate up to date?	Yes	No	

10. Year-End Procedures				Comments & Recommendations
10.1	Year-end accounts prepared on correct accounting basis?	Yes	No	Day to day and year-end accounts are prepared on a Income and Expenditure basis.
10.2	Bank statements and ledger reconcile?	Yes	No	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31 st March has been prepared for review and approval by the Council.
10.3	Underlying financial trail from records to presented accounts?	Yes	No	The Scribe accounting system provides a satisfactory audit trail to the underlying financial records.
10.4	Where applicable, debtors and creditors properly recorded?	Yes	No	
10.5	Has Council agreed, signed and minuted sections 1 & 2 of the Annual Return?	Yes	No	Section 1-Annual Governance Statement will be signed by the Council chair on 18/05/2026. Section 2-Accounting Statements will be presented to the Council for signing at the meeting of 18/05/2026.

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11. Miscellaneous				Comments & Recommendations
11.1	Have points raised at the last internal audit been addressed?	Yes	No	No issues were found in the last internal audit.
11.2	Is eligibility for the General Power of Competence properly evidenced?	Yes	No	The Council is not currently eligible to adopt the General Power of Competence. The Clerk has recently obtained the CiLCA qualification, but only 6 out of the 10 councillors are elected. The GPoC could be considered if this ratio increases.
11.3	Are all electronic files backed up?	Yes	No	The Council backs up its electronic files to OneDrive.
11.4	Do arrangements for the public inspection of records exist?	Yes	No	Notice of audit displayed as per external audit instructions.

12. Charities				Comments & Recommendations
12.1	Charities reported and accounted separately?	Yes	No	N/A
12.2	Have the Charity accounts been separately audited?	Yes	No	
12.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	Yes	No	

13. Income Controls				Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	No	
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	No	The precept of £78,417 was received on 01/04/2025 and recorded in the accounts: The total precept received for 2025/26 was £78,417, as per Leeds City Council notification.
13.3	Are security controls over cash adequate and effective?	Yes	No	N/A. No cash transactions are made

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14. Petty Cash				Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	Yes	No	N/A
14.2	Is petty cash expenditure reported to Council?	Yes	No	N/A
14.3	Is petty cash reimbursement carried out regularly?	Yes	No	N/A

15. Digital and Data Compliance				Comments & Recommendations
15.1	Does the Council have at least one generic email address hosted on a council-owned domain?	Yes	No	clerk@bostonpapc.org.uk
15.2	Does the Council's website meet Public Sector Bodies Accessibility Regulations 2018 and the Web Content Accessibility Guidelines 2.2 AA?	Yes	No	Partially.
15.3	Has the Council adopted a Data Protection Policy and IT Policy and are these available on the website?	Yes	No	A Data Protection Policy and an IT Policy have both been adopted and are available on the Council's website.

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TRANSACTION SPOT CHECK						
Check No.	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Transaction type	Deposit	Sales Invoice	Sales Invoice	Payroll	Sales Invoice	Sales Invoice
Supplier/Customer	Leeds City Council	YLCA	Entertainment ion the Spa	Deborah Marshall	David Kemp	Scotton Tree Care
Invoice/Transaction No.		INV-3502	VE80-110525	N/A	2	4011
Invoice/Transaction date	01/04/2025	01/04/2025	21/05/2025	20/10/2025	17/12/2025	20/03/2026
Goods/services supplied	Precept	YLCA Subscription	VE Day band donation	Salary and WFH allowance	Bus shelter clean	Tree felling
Voucher Number	2	6	25	98	131	177
Item/Budget heading	Precept	Subscriptions	Section 137	Administration	Reserves	Riverside
Ref/cheque No.	Online payment	EP890	EP904	Standing Order	EP959	EP975
Authorised by		Full Council	Full Council	Full Council	Full Council	Full Council
Delivery evidence	Bank statement	Bank statement	Bank statement	Bank statement	Bank statement	Bank statement
Payment minute ref	023/25	243/24	93/25	137/95	179/25	242/25
Insurance value						
Payment value	£78,417	£932	£225	£1,460.53	£15	£7,560
Statement value	£80,073 (This included £1656 LCTS grant)	£932	£225	£1,460.53	£15	£7,560
Timely payment	✓	✓	✓	✓	✓	✓
VAT recorded	N/A	N/A	N/A	N/A	N/A	£1,260
Notes						
Pass	✓	✓	✓	✓	✓	✓

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Acknowledgments

The help and co-operation of Deborah Marshall, Clerk to the Council is much appreciated by the internal auditor.

Internal audit carried out by	(signed) 	(print) Lesley Hanson
Audit type (delete as appropriate)	INTERIM ANNUAL	
Date 20/04/2026		

For internal auditor's use only

Page 3 of Annual Return form completed and signed	20/04/2026
Internal audit report sent to Council	20/04/2026

Year Ending: 31 March 2026

ANNUAL RETURN		Year Ending 31March 2025	Year Ending 31March 2026
1	Balances brought forward	£ 209,491	£ 209,491
2	Annual precept	£ 74,150	£ 78,417
3	Total other receipts	£ 122,005	£ 16,785
4	Staff costs	£ 16,705	£ 21,119
5	Loan interest/capital repayments	£ 0	£ 0
6	Total other payments	£ 78,086	£ 71,579
7	Balances carried forward	£ 310,855	£ 313,359
8	Total cash and investments	£ 307,850	£ 311,845
9	Total fixed assets and long term assets	£ 331,582	£ 343,676
10	Total borrowings	£ 0	£ 0
11	Page 3 Annual return figures completed and cross referenced?		20/04/2026