

Field Dalling and Saxlingham Parish Council

Internal Audit Report
Financial Year 2025/26

Prepared by Sonya Blythe
24 April 2026

I have completed an internal audit of the accounts for Field Dalling and Saxlingham Parish Council for the year ending March 2026.

My findings are detailed below using the tests provided in the Governance and Accountability (England) guidance.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	May 25 minutes
	Date Financial Regulations last reviewed	May 25 minutes
	Has a Responsible finance officer been appointed with specific duties?	Locum Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, selection of payments followed from invoice, to bank statement and minutes
	Has VAT on payments been identified, recorded and reclaimed?	Separate column in cashbook. No reclaim made for several years.
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook, within limit
Risk management arrangements	Have S137 payments been approved and included in the minutes as such?	1 payment (wreath) – not included as such in minutes, or recorded in cashbook column
	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	May and September 25 minutes
	Is insurance cover appropriate and adequate?	Yes, liability cover in place
	Are internal financial controls documented and regularly reviewed?	September 25 minutes

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	25/26 – November 24 minutes 26/27 – January 26 minutes
	Has the precept been calculated from the budget and been approved?	25/26 – recorded as £10,824.00 26/27 – recorded as £11,600
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Statement £10,824 Remittance £10,824
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	No – no contract in place for locum Clerk
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes September - national pay award implemented
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	P45 supplied for former Clerk. Payments made to HMRC

Internal control	Test	Observations	
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes	
	Are the assets and Investments registers up to date? When were these last reviewed?	September 25 minutes	
	Do asset insurance valuations agree with those in the asset register?	Yes – but insurance value column hasn't been updated since 2022	
	Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes, reported each meeting
		Is a bank reconciliation carried out regularly and in a timely fashion?	Monthly
		Are there any unexplained balancing entries in any reconciliation?	No
Is the value of investments held summarised on the reconciliation?		N/A	
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes, R&P	
	Do accounts agree with the cash book?	AGAR – £9626 Statements – (£10785.66; £1159.84 uncleared)	
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £9625.82	
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook checked against bank statements	
	Where appropriate, have debtors and creditors been properly recorded?	N/A	
Procedural	Is eligibility for the General Power of Competence properly evidenced?	N/A	
	Have points raised on the last Internal Audit report been considered by council and actioned?	Authority owned email address – yes Complete a VAT reclaim – No S137 - When using S137 for payments, the payment should clearly be identified within the meeting - no	

Internal control	Test	Observations
		Increase reserves for play equipment EMR – small increase
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes (in minutes)
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No (no land owned)
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A
	Have fees for the cemetery been reviewed and agreed by Council?	N/A
	Have burial books been kept up to date and are they safely stored?	N/A
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Has the Council been named as Sole Trustee on the Charity Commission Register?	N/A

Internal control	Test	Observations
ICO General Data Protection Regulations	Are the Charity meetings and accounts recorded separately from those of the Council?	N/A
	Is data processed appropriately / Is Council registered with the Information Commissioners Office?	Yes, annual fee paid January 26
	Has the Council adopted a Data Protection Policy?	Yes
Assertion 10 – Digital and Data compliance	Has the Council put in place Privacy Notices?	Yes – old email address
	Email address - Does authority must have a generic email account hosted on an authority owned domain,	Yes
	Website – Does website meet legal accessibility guidelines	Yes
	Has IT policy been adopted?	No – see below
Other		N/A

Thank you to Sarah for supplying everything so promptly.

- I have checked through your accounts and confirmed them against income and expenditure receipts, as well as against payments in your cashbook. Bank reconciliations are regularly carried out for the accounts.
- I have confirmed that your Financial Regulations and Standing Orders are up to date.
- I have noted that your VAT has been claimed within the past year
- I have verified that your insurance is adequate and that your risks have been assessed
- I confirm that your payroll management meets requirements
- I have reviewed your budget setting process and noted that you provide Council with regular spend against budget information
- I have reviewed the AGAR against your year-end bank reconciliations and your accounts

Explanation for “no” on AGAR form

Data and Digital Compliance

It was a requirement in 2025/26 that several actions should be carried out in order to satisfy this assertion. Unfortunately Council did not agree an IT policy. As such unfortunately I cannot sign to say that you met this requirement. Similarly assertion 10 on the Governance Statement should also be marked as “no” by Council.

Notes / recommendations for 26/27:

-When minuting the budget, it is best practice to record the Band D amount within the minutes, for full transparency.

-VAT reclaim – your VAT has not been reclaimed since 2023. As this can only be backdated for four years, this should be completed within 2026/7.

-The locum Clerk was not given a contract. Now that recruitment for a permanent Clerk has been successful, this should be made a priority.

-S137 - When using S137 for payments, the payment should clearly be identified within the meeting minutes as using this power. This will confirm that Councillors are collectively expressing an opinion as to the commensurate local benefit of the expenditure.

-Your Privacy statement on the website has an old website address and email address – these should be updated in 2026/7.

Sonya

Sonya Blythe
Internal auditor