

Field Dalling and Saxlingham Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
17 April 2025

I have completed an internal audit of the accounts for Field Dalling and Saxlingham Parish Council for the year ending March 2025.

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 24 minutes
	Date Financial Regulations last reviewed	May 24 minutes
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, evidenced from invoice to minutes and bank statements
	Has VAT on payments been identified, recorded and reclaimed?	Separate column in cashbook. No claim in 2425. See note
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook and within limits
	Have S137 payments been approved and included in the minutes as such?	Not recorded in minutes as S137 – see note
Risk management arrangements	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?	Yes – May minutes
	Is insurance cover appropriate and adequate?	Liability and fidelity cover in place
	Are internal financial controls documented and regularly reviewed?	Last checked September 23

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?	2425 – November 23 minutes 2526 – November 24 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – recorded as £10,794.53 2526 – recorded as £10,824.00
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, most meetings
	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 £10,794.53 Remittance £10,794.53
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
Payroll controls	Is petty cash reimbursement carried out regularly?	N/A
	Do all employees have contracts of employment with clear terms and conditions?	Draft contract seen – still to be signed by Council
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes November - 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?	Yes, P60 provided, HMRC accounted for on payslips

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?	Sep 24 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation Year-end procedures	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, reported each meeting
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
	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 – £7604 Statements - £7603.63
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £7,603.63
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook matched to bank statements
Procedural	Where appropriate, have debtors and creditors been properly recorded?	N/A
	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?	Email management – the JPAG Practitioners Guide states that “every authority should have an email account that belongs to the council and to which the council has access. No Parish Council’s are expected to carry out a risk assessment annually, covering financial risk and other risk. I have ticked this box as you considered risks as part of your Internal Controls

Internal control	Test	Observations
		review and insurance renewal, but a separate document should be considered and minuted by Council each year. Completed.
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, included within 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
	Were comparisons made with other cemeteries prior to setting the fees?	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

Internal control	Test	Observations
ICO	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A
	Is Council registered with the Information Commissioners Office?	Yes, January bank statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes
Other	Has the Council put in place Privacy Notices?	Yes, posted on website
		N/A

Thank you to Linda for supplying everything.

- 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.
- 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

I have no concerns to raise and as such have signed the internal audit section of the AGAR.

Notes / recommendations for 25/26:

Recommendations:

Email address – the JPAG Practitioners Guide states that “All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now

reasonably expect a local council to have a .gov.uk domain name". This is advice rather than a requirement, so I flag it for information only.

VAT reclaim – Your VAT has not been reclaimed in 2425. Although not a huge amount at this time, for cashflow you should try and reclaim at least annually.

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.

Just a note that play equipment replacement / repairs can be very expensive and not always covered by insurance. Your reserves are on the low side considering you are responsible for this equipment. I would recommend setting up an earmarked reserve for play equipment maintenance / replacement and building this up each year.

Sonya

Sonya Blythe
Internal auditor