

Wacton Parish Council

Internal Audit Report
Financial Year 2025/26

Prepared by Sonya Blythe
12 April 2026

I have completed an internal audit of the accounts for Wacton 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 | September 25 minutes |
| | Date Financial Regulations last reviewed | September 25 minutes |
| | Has a Responsible finance officer been appointed with specific duties? | Yes, 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? | Accounted for in cashbook, rebate received in July |
| | Is s137 expenditure separately recorded and within statutory limits? | N/A |
| | Have S137 payments been approved and included in the minutes as such? | N/A |
| 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, September 25 minutes |
| | Is insurance cover appropriate and adequate? | Yes, liability covers 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 – January 25 minutes 26/27 – January 26 minutes |
| | Has the precept been calculated from the budget and been approved? | 25/26 – recorded as £22,804.00 26/27 – recorded as £25,084.40 |
| | Does the budget include an actual completed year? | Yes |
| | Is actual expenditure against budget regularly reported to the council? | Six month and year end reports received |
| | 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 £22,804 Remittance £22,804 |
| 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? | Yes, seen previously |
| | Do salaries paid agree with those approved by the council? | Yes |
| | Are salaries above the National Living Wage/Minimum Wage? | Yes September minutes - 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 received, regular HMRC payments made |

| 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? | Yes, April 25 minutes |
| | Do asset insurance valuations agree with those in the asset register? | Yes |
| Bank reconciliation | Is there a bank reconciliation for each account and is this reported to council? | Yes, balances reported at each meeting |
| | Is a bank reconciliation carried out regularly and in a timely fashion? | Reconciled 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 – £8814 Statements - £8814.77 |
| | Has a year-end bank reconciliation been undertaken? | Reconciliation - £8814.77 |
| | Is there an audit trail from underlying financial records to the accounts? | Yes, selection of invoices 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? | Yes |
| | Have points raised on the last Internal Audit report been considered by council and actioned? | Include full year budget in budget setting document - yes. |
| Transparency: For smaller councils with turnover under £25,000 | Minutes for whole year on website? | Yes |
| | Agendas for whole year on website? | No, removed after each meeting |
| | Payments over £100 detailed on website? | Yes, recorded in minutes |

| Internal control | Test | Observations |
|-------------------------------------|---|--|
| | Electors' rights advertised on website? | Yes |
| | Councillors' responsibilities detailed on website? | Yes |
| | Last financial year's AGAR on website? | Yes (24/25 Form 2 / 25/26 Form 3 as over 25k) |
| | Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | Yes |
| 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 |
| | Are the Charity meetings and accounts recorded separately from those of the Council? | N/A |
| ICO | Is data processed appropriately / Is Council registered with the Information Commissioners Office? | Yes, ICO payment on April bank statement |
| General Data Protection Regulations | Has the Council adopted a Data Protection Policy? | Yes |

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|--|---|---------------------------|
| | Has the Council put in place Privacy Notices? | Yes |
| Assertion 10 – Digital and Data compliance | 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? | Yes, September 25 minutes |
| Other | | N/A |

Thank you to Alan 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 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

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

Notes / recommendations for 26/27:

Alan is going to update the 25/26 AGAR page 5, to include staff pension costs in Box 4; this does not affect overall figures and so I have signed the audit. This will need to be signed off again by Council at your May meeting.

Sonya

Sonya Blythe

Internal auditor