

# **Newton Flotman Parish Council**

Internal Audit Report  
Financial Year 2025/26

Prepared by Sonya Blythe  
18 April 2026

I have completed an internal audit of the accounts for Newton Flotman 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 2022
	Date Financial Regulations last reviewed	July 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 separately in cashbook, rebate received in April 25
	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, June 25 minutes - general RA and SAM2 RA; H&S policy reviewed September
	Is insurance cover appropriate and adequate?	Yes, liability cover in place
	Are internal financial controls documented and regularly reviewed?	Yes, last checked March 25

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 – November 25 minutes
	Has the precept been calculated from the budget and been approved?	25/26 – recorded as £ £31,000 26/27 – recorded as £ £32,150
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, quarterly reports given
Income controls	Are there any significant unexplained variances from budget?	No
	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Statement £31,000 Remittance £31,000
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 - 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, P60s supplied

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, March 26 minutes, 25/26 items added	
	Do asset insurance valuations agree with those in the asset register?	Yes, schedule checked	
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 – £39160 Statements - £39,159.52
		Has a year-end bank reconciliation been undertaken?	Reconciliation - £39,159.52
		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?	Yes, May 23 minutes	
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised	
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	

Internal control	Test	Observations
Burial Authorities only	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)	Yes
	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
Allotments only	Have burial books been kept up to date and are they safely stored?	N/A
	Has a list of allotment holders with amounts paid to Council been submitted?	Included within accounts
	Have fees for the allotments been reviewed and agreed by Council?	Yes, September 25 minutes
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, subscription paid February 26 bank statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes

Internal control	Test	Observations
Assertion 10 – Digital and Data compliance	Has the Council put in place Privacy Notices?	Yes, on website
	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, July 25 minutes
Other		N/A

Thank you to Maria 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

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

**Notes / recommendations for 26/27:**

The Working From Home allowance paid to the Clerk is on the low side, considering the cost of home utilities, and what the Council would need to pay to hire office space. HMRC have confirmed that £26 per month, per employment, can be paid tax free. This may be something that Council wish to review in 2026/27.

When setting the budget, it is best practice to also note the Band D rate, so that parishioners can easily identify the cost to them. I understand that you don't have this

because you set the budget before the tax-base is released by South Norfolk Council. In which case it may be worth confirming this figure in the minutes of your next meeting.

*Sonya*

Sonya Blythe  
Internal auditor