Reedham Parish Council

Internal Audit Report
Financial Year 2025/26

Prepared by Sonya Blythe
1 May 2026

I have completed an internal audit of the accounts for Reedham 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
	Date Financial Regulations last reviewed	May 25
	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?	VAT accounted for in cashbook, refunds received in year
	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 – Finance January 26; General and Allotments October 25
	Is insurance cover appropriate and adequate?	Yes, liability cover in place
	Are internal financial controls documented and regularly reviewed?	June 23 (also April 26)

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 – December 25 minutes
	Has the precept been calculated from the budget and been approved?	25/26 – recorded as £24,551 26/27 – recorded as £27,362
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, quarterly
	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 £24,551 Remittance £24,551
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, P60 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, May 25 and March 26 minutes. Items purchased in 25/26 added.
	Do asset insurance valuations agree with those in the asset register?	Yes (Pavilion insured separately)
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 – £42147 Statements - £42,147.05
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £42,147.05
	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
	Have points raised on the last Internal Audit report been considered by council and actioned?	Authority owned email address – yes As you are responsible for land and allotments, when next reviewing your risk assessment it would be advisable to add a section on associated risks of this, such as trip and slip hazards, tree safety and frequency of inspection -Yes

Internal control	Test	Observations
		Budget setting – When setting the budget and precept it is best practice to include the Band D rate within the minutes also so that parishioners clearly have this information - Included in budget, attached to minutes Write a Data Protection Policy – yes The Clerk’s hourly rate in her contract is low compared to her contemporaries - Review underway
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
	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
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

Internal control	Test	Observations
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Included in cashbook
	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, Data policy in place, annual fee paid to ICO December 25
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes
	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 Stephanie 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:

I note that a grade review is currently underway for the Clerk. The SLCC has a useful role appraisal document which could be used to assist with this project, which covers job functions, job assessment etc and recommends a suitable grade-point at the end.

Sonya

Sonya Blythe
Internal auditor