

Fulmodeston with Barney Parish Council

Internal Audit Report

For Fulmodeston with Barney Parish Council

Financial Year 25/26

Prepared by Di Dann, CiLCA , FILCA, PIALC qualified

16th April 2026

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I have completed an internal audit of the accounts for Fulmodeston with Barney Council for the year ending 31st March 2026

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2025**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

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 to the bank?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Do the Financial Regulations comply with the financial details in Standing Orders?	Yes
	Date Standing Orders last reviewed	10/2025
	Date Financial Regulations last reviewed	10/25
	Has a Responsible Financial Officer been appointed with specific duties? Is this evidenced in a Job Description?	Mid year Locum Clerk and RFO appointed, unpaid.
	Have goods over £5000 been competitively purchased?	N/A
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed? When was the last reclaim submitted?	Yes To 7/11/5 refunded 25/11/26 To 7/1/26 refunded 19/1/26
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	S137 column in Cash Book

Internal control	Test	Observations
	Has a councillor been appointed as an Internal Control Officer?	No
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	None - other than Employment guidance received
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes – 2/26
	Does the Scheme detail all potential risk areas?	Yes
	Is insurance cover appropriate and adequate?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes Dec 2025 Ref 25/69 (vi)
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget reported to the council during the year as well as at budget time?	November – March 2026
	Are there any significant unexplained variances from budget?	Arising from Employment Guidance (see above) refer confidential minutes.
Income controls	Is income properly recorded and promptly banked?	Yes

Internal control	Test	Observations
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	No Petty Cash. No cash handled.
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Contracts and Job Descriptions to be issued to any new employees. Appointments to be minuted.
	Do salaries paid agree with those approved by the council?	Unknown
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	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
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes (Photographic and descriptive)
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes updated 2/26
	How are asset valuations recorded?	Purchase cost

Internal control	Test	Observations
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	At year end
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Does the end of year bank reconciliation include all cash held? (Other than long term investments)	Yes – Current Account, No 2 Account, Cambridge Account.
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?	Yes
	Do accounts include a comparison to the previous year?	Yes
	Have variations (+/- 15%) been detailed numerically and quantitatively?	Yes – see below
	Date AGAR to be considered by Council	12 th May 2026
Where appropriate, have debtors and creditors been properly recorded?	N/A	
Procedural	Appointment of the IA has been agreed – minute reference	Agreed October 25/53 vii
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes – July

Internal control	Test	Observations
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 – 24/25 delayed See below
	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
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	Yes
	Have fees for the allotments been reviewed and agreed by Council?	To be reviewed 2026/27
	Has a Financial Risk Assessment been undertaken for any larger projects undertaken?	N/A
Box 10 Assertion	Data Protection Policy in place?	Yes
	Generic e mail account hosted on an authority owned domain?	Yes
	Website Accessibility Statement on the website?	Yes
	Council registered with the ICO?	Yes

Internal control	Test	Observations
	IT Policy adopted and on the website?	Yes
	Is there an FOI Publication Scheme?	Yes
	Is it on the website?	Yes
	Is it regularly updated?	Annually

Reasons for any “NO” Boxes on the Internal Auditor’s Report:

Box M Refer External Audit Report for 24/25

Noted that the External Auditor in their Audit Report for 2024/25 advised that AGAR was not advertised at the required time. (i.e. one day ahead of the start period for Electors Rights. The period for Electors Rights must include 30 working days of which 10 must be the first 10 working days of July). Therefore, I am required to answer “NO” in box M, and the Parish Council must answer “NO” to Assertion 4 in Box 4 of the Annual Governance Statement.

Summary of my recommendations:

Cash Book Opening Balance and AGAR Box 1 (25/26)

There is a note that 3 cheques with March 2025 dates have been included as payments in the Financial Year 2025/26, thus requiring reinstatement of the closing balance for 2024/25 . The closing balance for 2024/25 should be carried over to the Balance b/f for 2025/26. This figure of £23,395 should then be crossed through. (There is no reason why this cannot be done by hand). The detail of those three cheques should be included on the Variance Form i.e.. date and amount.