Internal Audit Report

For Stody with Hunworth Parish Council

Financial Year 25/26

Prepared by Di Dann, CiLCA , FILCA, PIALC qualified

17th April 2026

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I have completed an internal audit of the accounts for Stody with Hunworth Parish 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 – for meetings
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations? Do the Financial Regulations comply with the financial details in Standing Orders?	Yes Yes Yes – see below
	Date Standing Orders last reviewed	September 2025
	Date Financial Regulations last reviewed	March 2024
	Has a Responsible Financial Officer been appointed with specific duties? Is this evidenced in a Job Description?	Yes Yes
	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?	Reclaimed 3/26 Repaid by HMRC 3/26
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	S137 N/A - GPC adopted May 2023

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?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes March 2026
	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 December 2025
	Has the precept been calculated from the budget and been approved?	Yes Item 25/71 (iv)
	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?	Yes – council 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?	Yes

Internal control	Test	Observations
	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?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	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
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes March 2026
	How are asset valuations recorded?	Purchase cost
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes (1 account)
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, for council meetings

Internal control	Test	Observations
	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
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? Do accounts include a comparison to the previous year?	Yes Yes
	Have variations (+/- 15%) been detailed numerically and quantitively?	Yes
	Date AGAR to be considered by Council	19th May
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Appointment of the IA has been agreed – minute reference	September 2025 Minute Ref 25/50 (iv)
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
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
	Electors' rights advertised on website?	Yes, (and in minutes)
	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 (on Asset Register)
Box 10 Assertion	Data Protection Policy in place? Generic e mail account hosted on an authority owned domain? Website Accessibility Statement on the website? Council registered with the ICO IT Policy adopted and on the website?	Yes Yes Yes Yes Yes
	Is there an FOI Publication Scheme? Is it on the website? Is it regularly updated?	Yes Yes Yes

Summary of my recommendations:

Documents

Financial Regulations - Item 10 Placing Orders. Consider amending as follows – items up to £1000 1 quote; £1000 - £5000 2 quotes; £5000 - £10,000 3 quotes; £10,000 up to £30,000 must be detailed in a tender document; over £30,000 refer Standing Orders. *Reason – in view of the difficulty of obtaining quotes and to align with Standing Orders.*

Grass Cutting Contract for 2026

Noted that the Council in March, agreed a grass cutting contract for 2026/27. Noted that the budget for 26/27 has been calculated to absorb this cost. Clerk to include the details of the Contract in the audit papers for 2026/27. There should be a minute to agree the disposal and price offered for the mowers.