

Dilham Parish Council

Internal Audit Report

For Dilham Parish / Town Council

Financial Year 25/26

Prepared by Clare Morton

Date 15 May 2026

Contact details

2 The Cottages, Breck Rd, Weston Green, Weston Longville, NR9 5LQ.

01603 880 645, email clare.morton@tiscali.co.uk

I have completed an internal audit of the accounts for Dilham 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	– not reviewed and updated since 30 Nov 2022
	Date Financial Regulations last reviewed	– not reviewed and updated since 30 Nov 2022
	Has a Responsible Financial Officer been appointed with specific duties? Is this evidenced in a Job Description?	Not specifically reappointed. Clerk holds role as a matter of course.
	Have goods over £5000 been competitively purchased?	None made
	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 Nov 2025

Internal control	Test	Observations
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	Council has GPoC adopted June 2025 item 6a
	Has a councillor been appointed as an Internal Control Officer?	Yes – May 2025 item 12c
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	Receipt of an unexpected legacy which should have been left to the village hall. Required monies transferred.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes – May 2025 item 12 e Risk assessment covers financial risks only. There is no risk assessment covering the physical assets.
	Does the Scheme detail all potential risk areas?	There is no risk assessment covering the physical assets.
	Is insurance cover appropriate and adequate?	Yes – May 2025 item 12 f
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes Nov 2025 item 7a
	Has the precept been calculated from the budget and been approved?	Yes Nov 2025 item 7b
	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

Internal control	Test	Observations
	Are there any significant unexplained variances from budget?	No – explanations available.
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	Yes
Petty cash procedures (if applicable)	Is all petty cash spent recorded and supported by VAT invoices/receipts?	Petty Cash not handled
	Is petty cash expenditure reported to each council meeting?	Petty Cash not handled
	Is petty cash reimbursement carried out regularly?	Petty Cash not 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

Internal control	Test	Observations
	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 – not available on website
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – copied supplied is dated 2024/25 but minutes of May 2025 item 12a indicates reviewed and agreed.
	How are asset valuations recorded?	Purchase value
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	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)	Cash not held
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	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

Internal control	Test	Observations
	Date AGAR to be considered by Council	20 May 2026
	Where appropriate, have debtors and creditors been properly recorded?	Not applicable
Procedural	Appointment of the IA has been agreed – minute reference	June 2025 item 7d
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes June 2025 item 6a
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	No
	Payments over £100 detailed on website?	No
	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)	no
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Not applicable
	Have fees for the cemetery been reviewed and agreed by Council?	Not applicable

Internal control	Test	Observations
	Were comparisons made with other cemeteries prior to setting the fees?	Not applicable
	Have burial books been kept up to date and are they safely stored?	Not applicable
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	Not applicable
	Have fees for the allotments been reviewed and agreed by Council?	Not applicable
	Has a Financial Risk Assessment been undertaken for any larger projects undertaken?	Not applicable
Box 10 Assertion	Data Protection Policy in place?	Yes
	Generic e mail account hosted on an authority owned domain?	No
	Accessibility Statement on the website?	Yes
	Council registered with the ICO	Yes
	Website meets Web Content Accessibility Guidelines?	yes
	Is there an FOI Publication Scheme?	No
	Is it on the website?	No
	Is it regularly updated?	No
	Has an IT policy been adopted and is this on the website.	No

(Note that if the Council is over £25,000 the information below should be sent to the External Auditor.)

Summary of my recommendations:

Audit notes

Items in yellow above are areas where I have not been able to fully satisfy the current audit standards. For major items, there is more detail below.

- There is a lack of compliance relating to GDPR and FOI requirements. The legal obligation to publish a wider range of policies comes from the Freedom of Information Act 2000 (FOIA) and the ICO's Model Publication Scheme. I attach a list of the standard documents expected to be on the website.
- There is no risk assessment relating to the control of physical assets. This should include details of inspection regimes and consider the likelihood of theft, damage etc.
- The Financial Regulations and Standing Orders are both more than 3 years. It is good practice to review, if not annually, then every three years.
- There is no list of transactions greater than £100 on the website and since the full transaction list is not published, this is an omission.

There were some discrepancies between the amounts paid and the minuted amount for the May 2025 minutes:

Item	minutes	paid
Parish Clerk wages	£215.73	£205.83
Norfolk ALC	£223.64	£123.64
ICO	£40	£47

The November minutes authorized a payment of £200 to St Nicholas Church but this has not been executed.

As it currently stands, the February and March 2026 payments are unauthorized in that they are not in the January 26 minutes and not an agenda item for the next meeting ie in May.

The agenda for the May PC meeting states the meeting will be the 18th May following the APM, however the agenda for the APM and the DPC website indicates the meeting will be the 20th.

There is a minor error in the bank reconciliation. The NS&I account indicates that at year end it has £4219.58 in it but the bank reconciliation has this as split into £1611.06 + £2608.92 = £4219.98. The total bank holdings, including the Barclays current account of £3410.95 should therefore be £7630.53 not £7630.93. Since both round up to the same figure, this is not significant !

Notes / recommendations for 26/27:

I would recommend that Council reviews its Internal Controls / Risk Assessment, with particular reference to having its own smart phone going forward. The Council does on-line banking so verification codes etc are sent to the clerk's personal phone, the personal number has to be given out to parishioners and to businesses wanting to contact the Council by phone. If the Clerk was to leave her role, taking her phone number with her, your business continuity would be severely impacted as a result.

Clare

Clare Morton
Internal auditor