



DALTON PARISH COUNCIL INTERNAL AUDIT FOR THE FINANCIAL YEAR 2025/26

Background and Introduction

All town and parish councils are required by statute to make arrangements for an independent internal audit and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR). The Parish Council has requested that Faye Hazlehurst t/a FH Accountancy Services provides this service, based on a letter of engagement agreed and signed by the council. The audit is not designed to identify all significant weaknesses in the council's systems but, if such weaknesses come to my notice during the course of the examination, which I think should be brought to your attention; I shall report them to you.

The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the council. The audit should not be relied upon to disclose all material misstatements or frauds; errors or instances of non-compliance as might exist.

Faye Hazlehurst is a member of the Internal Audit Forum – an association of Internal Auditors for local councils which seeks to promote high quality internal audit.

Independence

It is important that the auditor is independent of the council and has no conflict of interest, in order that a truly professional audit is performed. I am not aware of any relationships that might constitute a threat to my independence.

Internal Audit Approach

In accordance with the 'Smaller Authorities' Proper Practices Panel (SAPPP)' Practitioners Guide, March 2025', section 4, my work plan consists of an investigation to review whether the systems of financial and other controls over the council's activities and operating procedures are effective.

Summary

The internal audit was carried out remotely, the Clerk/RFO completed a pre-audit questionnaire, and all records were provided either electronically or via the website. Detailed internal control testing was carried out, in the section below I have recorded my Annual Internal Audit Report (AIAR) responses and offered some comments by way of explanation for these.

Internal Audit Assessment

The table below follows the format of the AIAR of the AGAR, for each section questions have been raised to establish the systems and control arrangements. The responses, along with the supporting evidence provided, has allowed review, challenge, examination and assessment.

Previous recommendations

I am pleased to note that all of the recommendations from the last internal audit have been carried out, as noted in previous years the website is not very user friendly and layout could be improved to aid transparency.



AGAR (AIAR section) Internal Control Objective, Internal Audit assessment and related comments	Yes/No
A. Appropriate accounting records have been properly kept through the financial year.	Yes
Based on the review of the council minutes and the systems and supporting records, the council has put in place effective procedures to accurately and promptly record all financial transactions, it has maintained up to date accounting records throughout the year, together with the necessary supporting information. The cashbook is maintained on Rialtas and payments are reported to council at each meeting and approval is recorded in the minutes.	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes
Financial Regulations (FR's) were reviewed and approved in May 25, the new NALC model has been adopted and the FR's are properly tailored to the council with purchasing authority defined within the regulations. All payments selected for sampling were approved by members, supported by invoices and VAT has been appropriately accounted for. Effective management and control over the Council's bank account is present. Online payments require dual authorisation, one of which is a member. Annual direct debits/standing orders have been agreed and approved by council.	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes
The council has an up-to-date risk register that has been reviewed and approved by council in May 2025. Appropriate arrangements are in place for the inspection of play areas and open spaces; these are reported to council and recorded within the minutes. Internal controls and their effectiveness are reviewed annually. The levels of insurance are appropriate for the size of the council and include business interruption and cyber cover.	
D. The precept or rates required resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes
The council set their budget on an annual basis in preparation for applying for the precept; this was formally adopted by Full Council in January 2026. The precept demand was correctly recorded within the minutes. Income and Expenditure is monitored against the budget quarterly and recorded within the minutes of Finance and Staffing. There were no unexplained variances at the end of the year. Reserves are reviewed annually and are clearly stated; the levels of general reserves are within proper practice.	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes
The precept received by council agrees to central government records. VAT is reclaimed quarterly and agrees to the accounting records. The council has in place a formal list of fees and charges, these have been reviewed during the year. Effective procedures are in place for monitoring outstanding debts. Outstanding debts are reported to council and recorded within the minutes.	



<p>The Council has three sites for allotments, two of them are outsourced, charges for the plots on the Brecks site differ depending on the size of the plot. The income for allotment rentals is in balance. All occupancy details are securely retained, and password protected.</p> <p>An effective booking system is in place for hall hire, all overdue invoices are monitored by the Clerk and reported to Council if necessary. A sample of income transactions were tested; VAT was correctly accounted for.</p>	
<p>F. Cash payments were properly supported by receipts; all cash expenditure was approved and VAT appropriately accounted for.</p>	Not Covered
<p>The Council does not make payments in cash.</p>	
<p>G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</p>	Yes
<p>All staff have contracts of employment in place with clear terms and conditions. The salaries paid to employees have been approved by Members, any re-imbursments to the Clerk are approved and recorded within the minutes.</p> <p>The council outsource the payroll function. I sample tested two months payroll and found that the payments were in accordance with agreed terms and relevant deductions and associated payments had been made.</p> <p>No allowance was paid to a member.</p> <p>One re-imbusement to the Clerk was in excess of £800: where possible request a supplier invoice. The Council may benefit from a debit/credit card.</p>	
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	Yes
<p>The council maintains an Asset Register of all material assets owned or in its care, this is updated and approved annually. The register contains the purchase cost and insurance valuation. The asset value recorded on the asset register agrees to the balance recorded on the AGAR.</p> <p>Appropriate levels of insurance are in place for asset cover.</p> <p>A long-term investment is in place which is covered by the Council's Investment Strategy.</p> <p>Update the Investment Strategy to reflect the increase in the FSCS.</p>	
<p>I. Periodic bank account reconciliations were carried out during the year.</p>	Yes
<p>Bank reconciliations are carried out every month; the reconciliation consolidates all the council's bank accounts and approval is recorded within the minutes. There is evidence that these have been independently verified and signed and dated as evidence of review. The year-end bank reconciliation has no unexplained balancing entries.</p>	
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	Yes
<p>The accounting statements have been prepared on the correct accounting basis (income and expenditure). The accounting statements agree to the cash book and are supported by an adequate audit trail from underlying records and explanations.</p>	



K. If the authority certified itself exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt (if the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")	Not Applicable
The small authority had a limited assurance review of its 2024/25 AGAR.	
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	Yes
The council is aware of, and publishes the relevant information required by legislation. Transparency principles are followed. At the time of the audit the expected information was available on the website. <i>The transparency page is not easy to follow, some out of date documents require removing.</i>	
M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025/26 AGAR period, were public rights in relation to the 2024/25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	Yes
The council complied with the required period (30 working days including the first 10 working days of July 2025) for the exercise of public rights for the 2024/25 AGAR.	
N. The authority has complied with the publication requirements for 2024/25 AGAR.	Yes
The council has complied with the publication requirements for 2024/25; the relevant information has been published on the council's website before the relevant dates.	
O. The authority has complied with laws, regulations and proper practices relating to digital and data compliance.	Yes
I can confirm the council has a generic email hosted on an owned domain and an IT policy which was approved in September 2025. A data audit was carried out in March 2026 and approved by Council and recorded within the minutes; the website provider carried out a review of the site compliance in February 2026, the site is partially compliant, some older documents (pdf's) may not be accessible but these can be requested from the council in other formats. An up-to-date privacy policy is available on the councils website.	
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes
The Parish Council are sole trustee for Sunnyside Community Centre, charity 523569, the charity accounts have been separately audited, filed within the legal time limit and trustees' meetings and minutes held separately from the Council.	

Conclusion

The Clerk(s) have maintained a good standard of record keeping, with good levels of control, this has simplified the audit process. I am confident that figures lifted into the Accounting Statement for the financial year ending 31 March 2026 are accurate.

All of the controls contained within the internal audit section of the AGAR were examined the Council was compliant with all controls. Any recommendations are highlighted in the above report.

I would like to thank the Joanne for her assistance during the internal audit.

Faye Hazlehurst FMAAT AATQB
Internal Auditor – 2 June 2026

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