

Horning Parish Council

Internal Audit Report
Financial Year 2025/26

Prepared by Sarah Hunt

27th May 2026

I have completed an internal audit of the accounts for Horning 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 – Standing Orders Yes – Financial Regulations
	Date Standing Orders last reviewed	Document on the website states 2022 – has out of date procurement limits and has not been completed where brackets are included in the model document and choices need to be made by Council – need updating. There may be a more recently adopted set that have not been uploaded to the website.
	Date Financial Regulations last reviewed	Document on the website states June 2024.
	Has a Responsible finance officer been appointed with specific duties?	Not within 2025/26. Clerk/RFO has been in post longer than this year.
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Last reclaimed August 2025.
	Is s137 expenditure separately recorded and within statutory limits?	Yes. It is always worth advising council of limits every year and minuting this.
	Have S137 payments been approved and included in the minutes as such?	No. Whilst they are accounted for separately they are not minuted as such.
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?	Financial Risk Assessment adopted 5 th January 2026. Item 13.b.
	Is insurance cover appropriate and adequate?	Schedule reviewed by Council 4 th August item 11.3
	Are internal financial controls documented and regularly reviewed?	No – Council should adopt Internal Financial Controls.

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 – Yes, agreed by Full Council. 26/27 – yes. Considered by Finance Committee, agreed by full council.
	Has the precept been calculated from the budget and been approved?	25/26 – recorded as £25312.00 2.12.2024 item 12.e. Agrees to AGAR 2025-2026. 26/27 – recorded as £ 27524.00 5.1.2026 item 13.d.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	I can see that each meeting receives a 'confirmation of finances' but it is not clear what this contains – budget reviews and bank reconciliations should be minuted to evidence receipt by Councillors.
	Are there any significant unexplained variances from budget?	No.
Income controls	Is income properly recorded and promptly banked?	Yes – reported to each meeting.
	Does the precept recorded agree to the Council Tax authority's notification?	AGAR £ 25312.00 Remittance checked on bank statements. £ 12,656.00 30/4/2025 and 30/9/2025
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?	Clerk has been in post prior to the year audited. Letter of amendment checked in 2024/25.
	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
	Has the Council complied with Pension Re-enrolment duties?	Yes – re-enrolment confirmed 3.11.25 item 6.a.
	Have PAYE/NIC been properly operated by the council as an employer?	Yes

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 – updated during year.
	Do asset insurance valuations agree with those in the asset register?	Reviewed by Council.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes, within the financial confirmation section.
	Is a bank reconciliation carried out regularly and in a timely fashion?	I would advise minuting receipt separately at Council alongside the closing values.
	Are there any unexplained balancing entries in any reconciliation?	No.
	Is the value of investments held summarised on the reconciliation?	Yes - all bank accounts included.
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? As at 31.3.2026 :-	AGAR – £10932 Statements: *547 £4505.35 *550 £5886.82 = £10932.17
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £ 10392.17
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Is eligibility for the General Power of Competence properly evidenced?	N/A
	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?	N/A however for good practice: yes
	Agendas for whole year on website?	yes
	Payments over £100 detailed on website?	Yes – within Minutes.

Internal control	Test	Observations
	Electors' rights advertised on website?	yes
	Councillors' responsibilities detailed on website?	Within Minutes.
	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 – this could be rectified by uploading the asset register in the finance section for each year.
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
Allotments only 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?	No review within the year. Council should note that any increase must be notified to allotment holders with 12 months' notice (Section 1 of the Allotments Act 1022) and must be 'reasonable' (Section 1 Allotments Act 1950.
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. Expires 13.1.2027.
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	No.
	Has the council undertaken a data audit?	Yes. 2 nd March 2026. Item 10.g.

Internal control	Test	Observations
	Has the Council put in place Privacy Notices?	Yes – in footer on website. Adopted 2024.
Assertion 10 – Digital and Data compliance	Email address - Does authority must have a generic email account hosted on an authority owned domain,	Yes: clerk@horningparishcouncil.gov.uk
	Website – Does website meet legal accessibility guidelines	Yes – hosted through NALC.
	Has IT policy been adopted?	6 th October 2025 – item 11.f.
Other		

Thank you to Jo for supplying everything so promptly.

I have checked a sample of invoices against payments, calculations on the AGAR against bank statements and end of year bank reconciliations.

Council should ensure that it holds risk assessments for all voluntary activities, along with a register of those attending for insurance purposes.

I note that there is no accessibility statement on the website – this should be adopted and uploaded by NALC.

I also note that mileage is paid to the Clerk – I would advise that their insurance company is advised of the business use to ensure coverage when travel is reclaimed.

Horning is clearly a very well run Council with engaged Councillors and the minutes evidence that the clerk provides good information. I can find nothing that I wish to bring to the attention of the Council by marking 'no' on the internal audit form.

Sarah Hunt
Internal auditor