



**Internal Audit  
Report  
Accounting Period  
2025-2026**

**Dalton with Newton Town Council**

Internal Audit carried out by Helen F Thomson PIALC



- A year-end internal audit is conducted to provide independent assurance that an organization's financial records, internal controls, and operational processes are accurate, compliant, and functioning effectively before final accounts are approved.
- Its primary requirement is to review financial transactions, verify balances, and assess whether policies and procedures have been properly followed throughout the year.
- The purpose of this audit is to identify errors, risks, or potential fraud, ensure compliance with governance, legal and regulatory standards, and support the reliability of financial reporting.

A. Appropriate Accounting records have been properly kept throughout the Financial year.

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B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for

The Council use Scribe for its day-to-day financial transactions and reporting. I was granted remote access to the software by the clerk, this allowed for a check to be carried out of the accounting records. A random selection of transactions was chosen, in particular those over £500, I was also able to view reports, bank reconciliations etc . The system is appropriate and is updated on a weekly basis by the clerk. A check of the completed AGAR 2024-2025 confirms that the balance at 31.3.25 was carried forward correctly to 1.4.25 to commence the 2025-2026 year.

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- **Financial Regulations** The Council review their tailored financial regulations annually, the next review will be due in April 2026.
- **Payments** All payments were supported by invoices. Payments were approved either by annual pre-approval for repeating payments (C13/04/2025) or for other payments by approval after submission to full council.
- **VAT** VAT was appropriately accounted for

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these

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- Complete risk assessments are carried out annually on both Assets and Finances to assess their adequacy. This is evidenced on minutes numbers C11/11/2025c and C11/11/2025d. Ongoing maintenance of finance and asset risk assessments are conducted monthly by the clerk

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate

- **Precept** The Precept is formally set each year in January by full council. This follows prior scrutiny of the current year budget by the finance committee and consideration of the draft budget for the following year. Precept requirement and budget confirmation can be evidenced on minute ref C11/01/2025 a C b and for the 2026/27 year at C13/01/2026 and C14/01/2026
- **Budgetary Process** Budget monitoring is carried out by the clerk on a day-to-day basis and full budget analysis by the finance committee at a monthly meeting. Minutes of these meetings are available to view online
- **Reserves** External audit advice is for an authority of this size to maintain free cash reserves of 3 months net revenue expenditure. The total reserves at 2 April were £217,918 of this £49,000 were earmarked leaving free reserves of £169,000 this exceeds the recommended 3 months net expenditure.

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

- **Expected Income** The Town Council have little to no income received other than the precept or occasional small payments which are made directly to them through the banking system (BACS). The Town Council do not currently operate allotments or a burial ground which may result in cash payments being received.
  - **Cash Book** The cash book is updated weekly by the clerk who records all income and expenditure transactions. This is adequate given the small number of daily transactions
  - **VAT** VAT was appropriately accounted for under a separate column within the cash books. Vat reclaims are submitted quarterly using Form126
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**F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for**

- **Petty Cash** The authority do not operate a petty cash fund and therefore was not covered under the scope of this internal audit. No other cash payments are made or received.

**G. Salaries to employees and allowances to members were paid in accordance with this authorities approvals, and PAYE and NI requirements were properly applied.**

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- **Staff Contracts** The authority has only a small number of staff and contracts have been issued to all employees. These were not inspected at the internal audit but will be provided to external auditors if required.
- **Staff Salaries**  
Salaries were paid in accordance with council approved pay scales and within approved timescales.
- **PAYE G NI** The Council use HMRC Basic PAYE Tools for preparation of salaries which includes the calculation of income tax and NI, all deductions have been applied correctly and subsequent amounts made to HMRC are correct. Pension contributions are calculated separately and applied in line with council approval.
- **Members Allowances** Elected members are not paid an allowance

**H. Asset and investment registers were complete and accurate**

- **Investment Register** The authority has both an Investment Policy and Investment Strategy. Both are reviewed annually and are published on the authorities website.
- **Asset Register** The authority maintains an asset register listing physical assets, these are visually inspected every 6 months by appropriately qualified staff. The register is published on the Authorities website.

**I. Periodic bank reconciliations were properly carried out during the year**

- Bank Reconciliations were initially carried out quarterly and then increased to monthly during the year. These have been checked for accuracy and signed off by a non-bank signing member of the finance committee.
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**J. Accounting statements prepared during the year were prepared on the correct accounting basis.**

- **Accounting basis**  
In previous years the authority was below the £200,000 threshold and reported on an RCP basis.

During this financial year the threshold has been exceeded but is within the 3 continuous year period that requires reporting on a ICE basis. The authority has prepared their accounting statements on an RCP basis for the 2025-26 year.

K. If the authority certified itself exempt from a limited assurance review in 2024/25 it met the exemption criteria

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L. The authority published the required information on a website up to date at the time of the internal audit.

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M. Exercise of Public Rights

- **Exemption** The Authority did not declare itself exempt during the 2024/25 year and this was not covered.
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- **Website** The Authority have their own website [www.daltontowncouncil.gov.uk](http://www.daltontowncouncil.gov.uk) on checking the relevant pages I am satisfied that the authority have published all the documents required by current legislation.
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- **Exercise of public rights** The period of the notice of exercise of public rights was approved by full council on 14<sup>th</sup> April 2025 with the full 30-day inspection period specified as required. Evidenced under minute ref 10/04/2025c. The authority also approved the AGAR part 1 at 10/04/2025a and AGAR part 2 10/04/2025b
- The period of inspection was approved as commencing on the 3 June 2025 and ending 14 July 2025.
- The notice was published on the Authorities website on the 16<sup>th</sup> April 2025

**N. Publication requirements for the 2024/25  
AGAR**

- **AGAR** The Authority published section 1 C 2 of the AGAR following approval and signed including a notice that the accounting statements were unaudited and may be subject the change. Once the External Audit opinion was received and the 2024-25 audit concluded, the 'unaudited' statement was removed, however I can confirm that this statement was present during the required period.
- **Conclusion of Audit** The conclusion of Audit was published as required on 21<sup>st</sup> July 2025
- **External Auditor report and Certificate** The AGAR with signed external audit report was published on the 21st July 2025

**O. The authority has complied with laws, regulations  
G proper practices relating to digital and data  
compliance**

- The Authority has its own dedicated website:  
[www.daltontowncouncil.gov.uk](http://www.daltontowncouncil.gov.uk)
- All members and staff have their own dedicated .gov email addresses.
- Members are provided with authority owned devices (tablets), personal devices are not used.
- The authority has adopted the required policies including Data Breach and Data Protection policies, Data Audit policy C Annual Audit plan Retention of Documents, Subject Access Request policies and Social Media C Electronic Communications policy, The clerk has acknowledged that that the word 'IT' should be included in the title of the latter or be a stand-alone IT policy and this will be rectified at its next review (March 2027). All policies are available and easily accessible on the authorities website.
- The Clerk has undertaken training on GDPR and although councillors have not yet completed training there is a council Statement of Intent approved at minute ref C13/03/2026b which deals with this issue. There is a dedicated page for Data Protection on the authorities website.
- **Accessibility** It is a legal requirement to have an Accessibility Statement on the authorities website, whilst there is a document under the Policies page which states *Accessibility* and provides the relevant information, it is not immediately visible and there is no information on the main homepage. **I would recommend introducing an accessibility statement available from the authorities main homepage to comply with legal requirements.**

**The internal audit for 2025/26 has been carried out in accordance with this authorities needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this report.**

Having conducted the internal audit I can confirm that in my opinion Dalton with Newton Town Council has fulfilled its statutory obligations and all finance and governance procedures comply with legislation, including digital and data compliance.

Date of internal audit: 2 April 2026

Signed  
Helen Fiona Thomson PIALC

## Dalton with Newton Town Council

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
*Name and Role (Clerk/RFO etc)*

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
*Name and Role (RFO/Chair of Finance etc)*

<b>Bank Reconciliation at 31/03/2026</b>			
	Cash in Hand 01/04/2025		141,614.80
	<b>ADD</b> Receipts 01/04/2025 - 31/03/2026		369,493.63
			511,108.43
	<b>SUBTRACT</b> Payments 01/04/2025 - 31/03/2026		293,190.41
<b>A</b>	<b>Cash in Hand 31/03/2026</b> (per Cash Book)		<b>217,918.02</b>
<b>Cash in hand per Bank Statements</b>			
	Petty Cash	31/03/2026	0.00
	CCLA The Public Sector Deposit F	31/03/2026	102,572.24
	Unity Bank [REDACTED]6912	31/03/2026	100,512.97
	Unity Bank [REDACTED]6909	31/03/2026	14,832.81
			<b>217,918.02</b>
	Less unrepresented payments		
			217,918.02
	Plus unrepresented receipts		
<b>B</b>	<b>Adjusted Bank Balance</b>		<b>217,918.02</b>
<b>A = B Checks out OK</b>			

APPENDIX 3

Dalton with Newton Town Council

Year End 31 March 2026

Explanation of Variations

**Income**

Description	24-25	25-26	£	%		
<b>Box 2.</b> Precept	253,000	314,198	61198	24.19%	• Allocation for new staff member.	£10,000.00
					• Building reserves for assuming responsibility for allotments.	£10,000.00
					• Building reserves for a community orchard project.	£10,000.00
					• Increase in contractor fees (Maintenance/Gardens).	£11,198.00
					• Creation of a Memorial Garden	£20,000.00
						<b>£61,198.00</b>

Description	24-25	25-26	£	%		
<b>Box 3.</b> Total other receipts	25,225	55,296	30,071	119.21%	• VAT reclaim from 24-25 received	£20,813.67
					• Grant from Unitary Council	£5,000.00
					• Increase in VAT claimed for 25-26 due to projects completed	£4257.33

						<b>£30,071.00</b>
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## EXPENDITURE

Description	24-25	25-26	£	%		
<b>Box 4. Staff</b>	82,616	122,187	39,571	47.90%	<b>Information redacted due to GDPR</b>	

Description	24-25	25-26	£	%		
<b>Box 6. All Other Payments</b>	147,110	171,003	23,893	16.24%	<ul style="list-style-type: none"> <li>• Emergency tree works</li> <li>• Additional Christmas costs</li> <li>• Additional costs in completing a Memorial Garden</li> </ul>	£3,510.00 £10,643.00 £9740.00  <b>£23,893</b>

Description	24-25	25-26	£	%		
<b>Box 7. Balances C/Fwd</b>	1416,14	217,918	76,304	53.88%	<ul style="list-style-type: none"> <li>• Reserves being held for Allotments</li> <li>• Reserves held for refurbishment of Town Hall Clock</li> <li>• Reserves held for Installation of new Fire Alarm System</li> <li>• Planned projects unable to go ahead in 25-26</li> <li>• Reserves being held for Community Orchard</li> </ul>	£30,000.00 £4,000.00 £5,000.00 £27304.00 £10,000.00  <b>£76,304</b>
<b>Box 8. Cash &amp; Short-Term Investments</b>	141,614	217918	76,304	53.88%	<ul style="list-style-type: none"> <li>• See above</li> </ul>	

# Receipts and Payments Account

## Dalton with Newton Town Council

For the year ended 31 March 2026

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### ◆ Balances

Description	Amount (£)
Opening Balance (1 April 2025)	141,614.80
Add: Total Receipts	369,493.63
Less: Total Payments	(293,190.41)
<b>Closing Balance (31 March 2026)</b>	<b>217,918.02</b>

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### ◆ Receipts

Description	Amount (£)
Precept	314,198.00
Bank Interest	7,647.33
VAT Refund	42,584.58
Other Income	5,063.72
<b>Total Receipts</b>	<b>369,493.63</b>

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### ◆ Payments

Description	Amount (£)
Staff Costs (incl. Pension & PAYE)	122,187.25
Environmental & Maintenance	41,981.25
Projects (incl. Goose Green)	52,626.58
Christmas Costs	28,260.35

<b>Description</b>	<b>Amount (£)</b>
Administration & Office Costs	9,718.58
Utilities	2,744.74
Grants	3,550.00
Civic & Mayoral	1,685.64
Insurance	1,586.99
Other Expenditure	28,849.03
<b>Total Payments</b>	<b>293,190.41</b>

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◆ **Reserves**

<b>Description</b>	<b>Amount (£)</b>
Earmarked Reserves	49,000.00
General Reserve	168,918.02
<b>Total Balances</b>	<b>217,918.02</b>

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◆ **Certification**

The above Receipts and Payments Account summarises the Council's financial transactions for the year ended 31 March 2026 and is consistent with the Annual Governance and Accountability Return.

# Annual Summary Report 2025/26

Dalton with Newton Town Council  
For the year ended 31 March 2026

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## ◆ Summary of Receipts and Payments

Description	2025/26 (£)
<b>Total Receipts</b>	369,493.63
<b>Total Payments</b>	(293,190.41)
<b>Surplus / (Deficit)</b>	<b>76,303.22</b>

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## ◆ Balances

Description	Amount (£)
<b>Opening Balance (1 April 2025)</b>	141,614.80
<b>Add: Total Receipts</b>	369,493.63
<b>Less: Total Payments</b>	(293,190.41)
<b>Closing Balance (31 March 2026)</b>	<b>217,918.02</b>

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## ◆ Breakdown of Receipts

- Precept: £314,198.00
- Bank Interest: £7,647.33
- VAT Refund: £42,584.58
- Other Income: £5,063.72

**Total Receipts: £369,493.63**

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## ◆ Breakdown of Payments

- Staff Costs (incl. Pension & PAYE): £122,187.25
- Environmental & Maintenance: £41,981.25
- Projects (incl. Goose Green): £52,626.58
- Christmas Costs: £28,260.35
- Administration & Office Costs: £9,718.58
- Utilities: £2,744.74
- Grants: £3,550.00

- Civic & Mayoral: £1,685.64
- Insurance: £1,586.99
- Other Expenditure: £28,849.03

**Total Payments: £293,190.41**

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◆ **Reserves**

- **Earmarked Reserves:** £49,000.00
- **General Reserve:** £168,918.02

**Total Reserves (Balances): £217,918.02**

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◆ **Key Notes**

- The Council recorded a **surplus of £76,303.22** for the year.
  - Closing balances increased to **£217,918.02** at 31 March 2026.
  - **£49,000** of the balance is held in earmarked reserves for specific projects/commitments.
  - The remaining **£168,918.02** is held as a general reserve.
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◆ **Certification**

This Annual Summary Report presents fairly the financial position of Dalton with Newton Town Council and is consistent with the Receipts and Payments Account for the year ended 31 March 2026.

**Approved by Full Council on:** \_\_\_\_\_

**Signed:** \_\_\_\_\_ (Chair)

