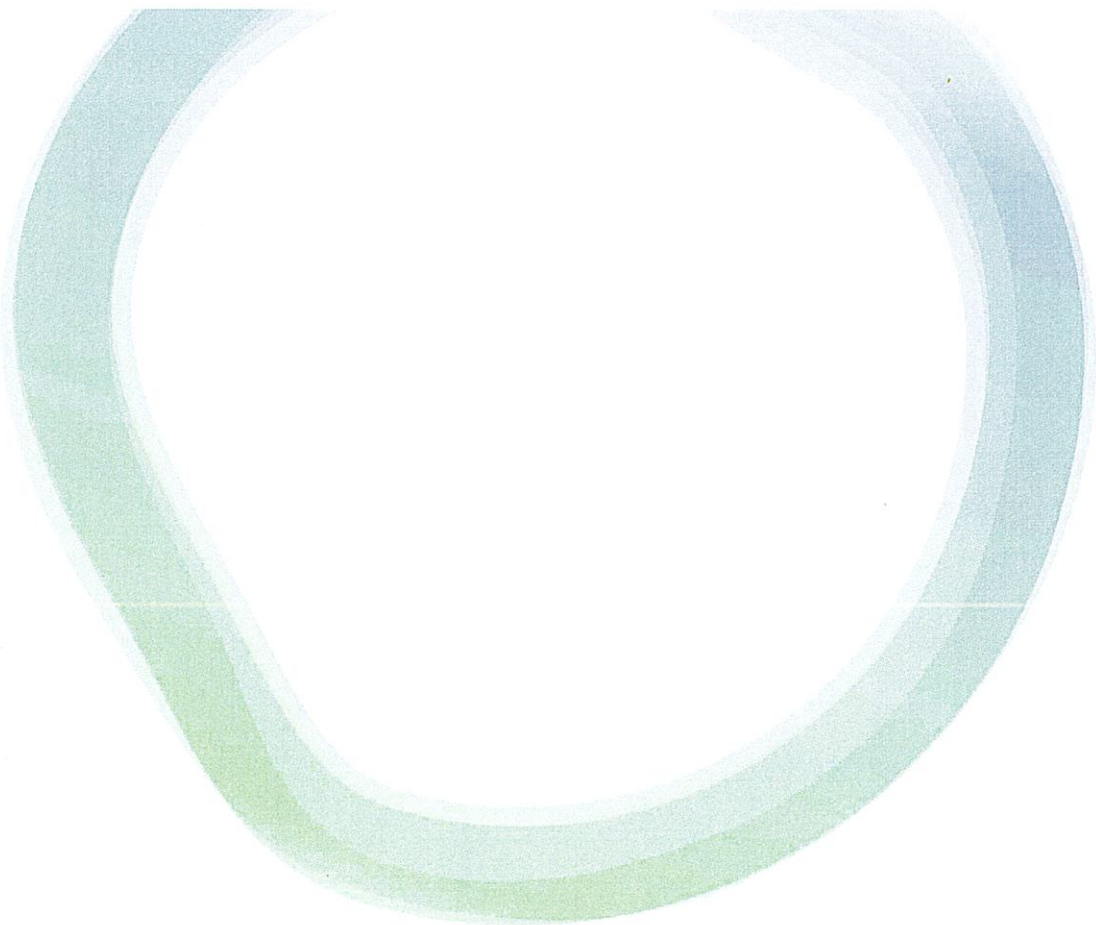




**Internal Audit
Report
Accounting Period
2025-2026**

Dalton with Newton Town Council

Internal Audit carried out by Helen F Thomson PLALC



- 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.

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.

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

- **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

- 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 & 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 Form 126
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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.

- **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 & 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 R&P basis.

During this financial year the threshold has been exceeded but is within the 3 continuous year period that requires reporting on a I&E basis. The authority has prepared their accounting statements on an R&P 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

- **Exemption** The Authority did not declare itself exempt during the 2024/25 year and this was not covered.

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

- **Website** The Authority have their own website www.daltontowncouncil.gov.uk on checking the relevant pages I am satisfied that the authority have published all the documents required by current legislation.

M. Exercise of Public Rights

- **Exercise of public rights** The period of the notice of exercise of public rights was approved by full council on 14th 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 16th April 2025

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

- **AGAR** The Authority published section 1 & 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 21st 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 & proper practices relating to digital and data compliance

- The Authority has its own dedicated website: 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 & Annual Audit plan Retention of Documents, Subject Access Request policies and Social Media & 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

A handwritten signature in black ink, appearing to read 'H F THOMSON', written in a cursive style.

Signed
Helen Fiona Thomson PLALC