April Skies
Accounting

Louisa Thomson

Clerk to Bentworth Parish Council 21 April 2026

Dear Louisa,

**Bentworth Parish Council - Internal Audit 25-26**

The internal audit for the 25-26 financial year is now complete. I report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with one comment:

| | |
|---|---|
| **O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance** | The Parish Council website does not conform to WCAG 2.2AA Accessibility Standards. |

The Clerk also confirms that the Council will mark assertion 10 on the Annual Governance Statement as "NO".

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year.

In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of my internal audit work for 25-26. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out on 21 April 2026.

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**A - Appropriate books of account have been kept properly throughout the year**

The Council maintains financial records on an excel spreadsheet. My testing confirmed that income and expenditure is balanced to the cashbook and reconciled to bank statements on a regular basis. During my testing I confirmed there is a clear audit trail from the accounts to supporting documentation, such as invoices.

I was able to agree the opening balances in the cashbook back to the published accounts for 24-25, by running arithmetic checks on the cashbook for the whole financial year.

All comparatives reported in the financial statements have been agreed back to the 24-25 accounts, as published on the Council website. The 25-26 accounting statements have been agreed back to the cash book, and reserve and cash balances agreed to cashbook and bank statements.

The Council received £433 in March 26 in respect of the 24-25 VAT return. I have checked this to the VAT return and supporting transactions extracted from the cashbook. The Clerk confirmed that the 25-26 VAT return will be submitted to HMRC once the accounting statements have been approved by Council

**B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for**

Non pay expenditure per box 6 to the accounts amounted to £6,539, down from £12,904 in 24-25.

Financial Regulations have been reviewed by councillors. These are based on the current NALC template and were last reviewed at the Full Council meeting in May 2025. The Council Code of Conduct and Standing Orders were reviewed at the same meeting.

All payments due are reported to a meeting of Council, for approval for payment. Once approved, payments are set up at bank, by the Clerk. Approval is made at bank by a councillor who is an authorised signatory. There is no clear evidence of this councillor approval held on file. I recommend that the councillor approving the payment at bank signs the invoice, or confirms by email to the Clerk that bank approval has been actioned.

I carried out a sample test of 3 non-pay expenditure transactions selected from cashbook. I was able to confirm the following for all transactions:

- Payment agreed to invoice, or resolution of Council to pay a grant
- Expenditure appropriate for this Council
- VAT accounting correct
- Payment approved in minutes of a Council meeting.

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**C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

The Council is insured with Zurich Municipal, on a standard local council package. The policy was in date at time of audit, with an expiry date of 31 May 2026. Asset cover appeared consistent with the asset register, the main items covered being the bus shelter, the millennium noticeboard and SID equipment. Money cover is sufficient at £250K. This is comfortably in excess of cash balances held by the Council.

All computer data is and backed up to a memory stick held by a councillor, this is swapped at each meeting and is held by the Chair. Back up would be enhanced by storing data on a cloud server such as OneDrive / Dropbox or similar.

The Council reviewed the risk assessment at the May 2025 Council meeting ( minute 25.037h) I reviewed the risk assessment; it is sufficient for a council of this size. Additions should also be made around IT back-up and recovery arrangements, and managing of electronic data, to ensure compliance with the new assertion in this area on the annual governance statement.

I have confirmed that my previous report was reviewed at the Full Council meeting in May 2025 (minute 25/042), so the Council has met the obligation to properly consider the work of auditors.

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

**Final Audit**
Reserves at 31 March 2026 were £24,027 (24-25 £21,519).

The Council holds £12.4K in the general reserve. This is around 85% of precept, which is line with best practice set out in the JPAG Practitioners' Guide for a smaller council. Earmarked reserves are:

- CIL – Neighbourhood £9.2k
- Grants not yet spent £2.3K

These external funds are properly held separately until they are spent.

The precept and budget for 26-27 were approved at the Council meeting in November 2025 (minute 25.111) A precept of £15,113 was set, following review of the budget. A small deficit budget was approved by Council, this will be met from the Council's reserve balances.

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The Clerk has maintained budget monitoring processes in 25-26. I confirmed by review of minutes that reports were presented to a Council meeting at the end of each quarter, as required by financial regulations. The report includes budget v actual, plus a bank reconciliation. I checked the 3rd quarter report, this was reviewed by councillors at the February 26 meeting. I confirmed this is derived from the accounting workbook.

**E – Income**

Precept per box 2 to the accounts was £14,560 (24-25 £14,000). This has been agreed to third party documentation provided by Central Government.

Income per box 3 to the accounts was £1,905 (24-25 £7,131).

I tested 1 transaction

- Hampshire CC grant - £ 750 – checked to bank statement and agreed to remittance advice from HCC.

**F - Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for .**

Satisfactory. My testing confirmed that the Council does not use petty cash.

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

Staff costs per box 4 to the accounts were £7,418 (24-25 £6,722).

Payroll is processed by DCK Payroll. I tested the Clerk's pay for December 2025. I agreed the cashbook entry to the payslip. Hourly salary was agreed to September minutes, recording the 25-26 pay award , this was checked to national pay scales. Hours were confirmed to contract. I am satisfied the Clerk is being paid the correct rate of pay as authorised by Council.

**H - Asset and investments registers were complete and accurate and properly maintained.**

**Final Audit**

Fixed assets per box 9 to the accounts were £ 34,970 ( 24-25 £34,970).

No change – There are no disposals, this has been confirmed by the Clerk. I checked the cashbook, and there appear to have been no assets purchased in 25-26.

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**I – Periodic and year-end bank account reconciliations were properly carried out.**

**Final Audit**
Cash per box 8 to the accounts was £24,027 (24-25 £21,509)

I was able to confirm that the bank account is reconciled to the cashbook each month, via the cashbook spreadsheet. The Clerk has confirmed that the bank reconciliation and the bank statement is taken to a council meeting each quarter – this has been confirmed by my review of minutes, and signed quarter three review of financial statements

I reperformed the year end bank reconciliation. I was able to agree the balance on the bank reconciliation back to bank statements and cashbook balances recorded on the excel spreadsheet. The year end bank reconciliation was recalculated and links within the cashbook were tested, no error was found. Bank statements will be signed off at the May meeting.

**J - Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.**

The Council has compiled accounts on the receipts and payments basis. This is correct for a council of this size (turnover below £200K).

**K: If the authority certified itself as exempt from a limited assurance review in 24-25, it met the exemption criteria and correctly declared itself exempt.**

Yes. The Council was permitted to certify itself as exempt from limited assurance review in 24-25, as both receipts and payments were below £25K. The Council can also certify itself as exempt in 25-26.

**L: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements**

Minutes are published on the Council's website; these include details of all payments made by the Council. Payments information is also published, this should be updated now year end closedown has been completed, as the website currently only shows payments data to the end of quarter 2 25-26.

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## M - Arrangements for Inspection of Accounts

Inspection periods for 24-25 AGAR were set as follows

| Inspection - Key date | 24-25 Actual |
|---|---|
| **Accounts approved at Full Council** | 7 May |
| **Date Inspection Notice Issued** | 2 June |
| **Inspection period begins** | 3 June |
| **Inspection period ends** | 14 July |
| **Correct length** | Yes – 30 working days |

The Council met the requirements of this control objective.

## N: Publication requirements 24-25 AGAR

The Statement of Accounts, Annual Governance Statement and the exemption certificate for 24-25 are published on the financial information page of the Council website, alongside the remaining pages of the AGAR

## O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

The Council has completed a review of data management practices following the addition of Assertion 10 on the Annual Governance Statement. Whilst the Council is generally compliant, I agree with the decision to mark Assertion 10 as no. This is because the Parish Council website does not conform to WCAG 2.2AA Accessibility Standards, and a compliant ICT Policy was not in place on 31 March. The Clerk has confirmed that:

- ICT policy was approved at April 26 Council meeting
- The website company has been engaged to bring the BPC website up to standard with regard to accessibility

I will also mark this control objective as NO but note the Council should be fully compliant with assertion 10 requirements in 26-27.

## P - Trust funds (including charitable) The council met its responsibilities as a trustee.

Satisfactory –The Council has confirmed to me that the Council is not sole trustee of a charity.

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I would like to thank you for your assistance with the audit. I attach the internal audit report from the AGAR and my invoice, for your consideration. In the meantime, do not hesitate to contact me if you have any questions at all. I look forward to working with you in 26-27.

Yours sincerely

Mike Platten CPFA

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**Appendix A – Recommendations**

## Points Forward – Action Plan

| Matter Arising | Recommendation | Council Response |
|---|---|---|
| Authorisation of bank payments | I recommend that the councillor approving the payment at bank signs the invoice, or confirms by email to the Clerk that bank approval has been actioned | |
| All computer data is and backed up to a memory stick held by a councillor, this is swapped at each meeting and is held by the Chair. | Back up would be enhanced by storing data on a cloud server such as OneDrive / Dropbox or similar. | |
| Risk Assessment | Additions should also be made around IT back-up and recovery arrangements, and managing of electronic data, to ensure compliance with the new assertion in this area on the annual governance statement. | |

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**Appendix B**

**Internal Audit Control Objectives – Marked as not covered**

| Control Objective | Area for Audit | Why this has not been audited |
|---|---|---|
| F | Petty Cash | No petty cash at this council |
| O | Trust Funds | No trusts at this council |

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