

The Councillors
Aldworth Parish Council
c/o Ms M Taylor

15th May 2026

Dear Ladies and Gentlemen

Internal audit – year ended 31st March 2026

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. During my review in May 2026 I reviewed the financial systems and controls for the year, together with the draft Annual Governance & Accountability Return (AGAR).

My internal audit was based on the guidelines included in the 2025 Practitioners' Guide to Proper Practices ("PG"), with reference to the 2026 edition regarding the new Assertion 10. This includes an assessment of risk and a selective assessment of compliance with the relevant procedures and controls in operation.

Overall conclusion

The financial records have been well maintained during the year and appear complete and fit for purpose. I did not identify any significant weaknesses in the control systems and procedures and it is clear that the council takes governance, policies and procedures seriously. There are no matters that I need to draw to your attention.

Specific comments for each assertion on the internal audit report contained within the AGAR are listed in Appendix 1.

New annual governance statement assertion in the 2025-26 AGAR

A new governance assertion has been introduced in the 2025-26 AGAR, covering digital and data compliance. The Council meets the basic standards and I understand that a thorough review of GDPR compliance will be undertaken in 2026-27.

Audit work completed

I have completed the Annual Internal Audit Report within the AGAR prior to the Council approval of the AGAR as my work for the year is now complete. The external auditors have stated that my internal audit report gives important evidence for the Council to consider when completing assertions 2, 6 and 7 on the on the governance statement.

Yours faithfully



Claire Connell

Appendix 1: Summary of internal audit findings in 2025-26

<u>Annual Internal Audit Report Section</u>	<u>Objective met?</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the year	Yes	The Council uses a spreadsheet for its accounting records. The spreadsheet is simple but adequate.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	Yes	Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for. No large contracts were entered into during the year.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	Minutes, Standing Orders, Financial Regulations and the Risk Register indicate that there are proper risk assessment and management procedures.
D. The precept resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	The budget was set in January 2026. Financial updates are provided at each Council meeting.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	The precept was agreed to the central government register of precepts. There was no other income in the year as no CIL was received and no VAT reclaims made. I understand that VAT reclaims for two years will be made in the summer of 2026.
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	N/A	There is no petty cash.
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.	Yes	The payroll is run by an external payroll company. No issues arose during the testing of payroll.
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	An adequate fixed assets register is maintained in Excel. This has been updated to reflect additions and disposals of the assets this year.
		/continued overleaf

Appendix 1: Summary of internal audit findings in 2025-26 (continued)

<p>I. Periodic and year-end bank reconciliations were properly carried out during the year</p>	<p>Yes</p>	<p>The bank balances are reported to each council meeting. The year end bank reconciliation was checked and confirmed.</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 cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	<p>Yes</p>	<p>These assertions have been met. The accounts are prepared on a receipts and payments basis which is appropriate for a council of this size.</p>
<p>K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt.</p>	<p>Yes</p>	<p>These assertions have been met.</p>
<p>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.</p>	<p>Yes</p>	<p>AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015. Please see appendix 3 for a list of documents which are required to be displayed on the Council website.</p>
<p>M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	<p>Yes</p>	<p>Proper opportunity was provided and this was correctly advertised.</p>
<p>N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).</p>	<p>Yes</p>	<p>The correct documents were published before the relevant deadlines.</p>
<p>O The authority has complied with laws, regulations & proper practices relating to digital and data compliance</p>	<p>Yes</p>	<p>The Council has adopted an IT policy during the year. The website contains an accessibility statement and a check of the website has indicated that it is mostly compliant with the accessibility rules, with only a small number of minor errors. A privacy statement is available on the website. I understand that a thorough review of GDPR compliance will take place in 2026-27.</p>
		<p style="text-align: right;">/continued overleaf</p>

Appendix 1: Summary of internal audit findings in 2025-26 (continued)

P. Trust Funds (including charitable) - the Council met its responsibilities as a trustee	N/A	Not applicable
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Appendix 2 – AGAR accounting statement figures

AGAR box number		2024/25	2025/26	Internal auditor comments
1	Balances brought forward	10,606	17,681	Agreed
2	Precept	13,500	13,500	Agreed to government central precept record
3	Total other receipts	2,498	-	Agrees to spreadsheet
4	Staff costs	3,980	4,282	Agrees to spreadsheet
5	Loan interest/ capital repayments	1,212	1,194	Agrees to spreadsheet and PWLB records
6	All other payments	7,254	6,575	Agrees to spreadsheet
7	Balances carried forward	10,606	19,130	

8	Total value of cash and short-term investments	17,681	19,130	Agrees to bank reconciliations
9	Total fixed assets and long-term investments	37,482	39,053	Agrees to fixed asset register
10	Total borrowings	20,250	19,750	Agreed to PWLB records

For local councils only		Yes	No	
11	Do the figures in the accounting statements above exclude any trust transactions?	✓		<i>For guidance refer to the Practitioners' Guide sections 2.31 to 2.33</i>

Appendix 3 – Transparency Code Documentation

When the Council has income and expenditure less than £25,000, it is required to comply with publishing requirements of the Transparency Code.

Other items are required to be published by legislation such as the Accounts and Audit Regulations and CIL legislation. The end of year documents are required to be published by 1st July following the year end.

Item	Comments
All items of expenditure > £100	Yes
End of year accounts	This should include <ul style="list-style-type: none"> • Accounting statement from the AGAR • The bank reconciliation as at the year end • An explanation of variances
Annual governance statement	Yes
Internal audit report	Yes
List of councillor responsibilities	The website shows a list of all councillors and identifies the Chairman and Vice-Chairman
Details of public land & building assets	The Asset Register is published
Minutes, agendas & meeting papers of formal meetings	Minutes and agendas are available on the website. <i>Meeting papers should also be published</i>
AGARs for the past five years	Yes
CIL reports	The 2024-25 CIL report is displayed on the council website. <i>The report for 2025-26 should be displayed on the website before 31st December 2026</i>