

Keith Robertson Internal Audit Services

BODIAM PARISH COUNCIL

Internal Audit Report 2025-26

Introduction

In accordance with the Internal Audit Plan, Controls and Procedures have been tested. The tests were to the standards and practices defined in the Governance and Accountability for Smaller Authorities 2025 and meet the needs of the Council. I confirm that I do not have any role within the Council and have carried out my duties without bias.

The audit was completed on 13th April 2026 and confirmed that the financial management and internal controls are in good order. No issues were found that require attention or noting on the annual return. The report below highlights the findings of the audit with reference to the Internal Control Objectives and Governance Statements in the Annual Return.

2024-25 Audit comments and actions.

Internal Audit. None

External Audit. Not subject to external review.

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A. Appropriate Accounting Records.

- A.1 The financial records are in an Excel file. The cash book is kept up to date. The data held for each transaction sampled was correct; the cash book is arithmetically correct and regularly balanced. VAT is properly accounted for. The AGAR reports produced agree to the financial records.
- A.2 Expenditure Approval. All items in the sample audit were supported by documented approval with an audit trail through the financial records. VAT was properly accounted for.

B. Financial Regulations, documentation and approvals.

- B.1 The Standing Orders & Financial Regs were updated in September 2025 to NALC standards.
- B.2 Agendas & Minutes were sent out in time and are well presented.
- B.3 Approvals on line expenditure are properly managed.

C. Risk Assessment

- C.1 The Council maintains a risk register which is thorough and was reviewed in January 2026
- C.2 Insurance – The Parish Council's Insurance in place is sufficient to cover its assets and liability risk.

D. Budgeting, Reporting & Precept

- D.1 The Budget was supported by an evaluation of Receipts and Payments for Actual YTD, Forecast and Budget. Reserves were reviewed as part of the process.
- D.2 The Council did approve the budget and precept for 2026-27.
- D.3 Reporting of Actual R&P and Reserves versus budget is adequate.

E. Receipts

- E.1 The precept recorded in the minutes agrees to the Council Tax authority's notification.
- E.2 There is no VAT on income. VAT refund receipts are correctly accounted for.

F. Petty Cash – The Council does not use or hold petty cash.

G. Employee Costs

- G.1 The payroll is managed by the Clerk/RFO using HMRC basic payroll software.
- G.2 The Clerk/RFO has a contract of employment with any changes to conditions agreed by the Council and logged in the employee file.
- G.3 Payroll data sampled during this audit confirmed the payroll data agreed to the financial systems.
- G.4 The payroll data in the financial record agreed to the AGAR 2025-26

H. Assets

- H.1 Assets – An Asset register is maintained and is up to date. The historical cost values agree to the AGAR
- H.2 The insurance of Assets & Liabilities is adequate.

I. Bank Reconciliations.

- I.1 Bank Reconciliations are completed by the Clerk each month and agree to the cash book.
- I.2 Reconciliations and statements are presented to the Council for review at meetings and the approval is recorded in the minutes. All bank reconciliations were correct as at 31-3-26

J. Accounting Statements.

- J.1 The cash book is maintained on a Receipts and Payments basis and agrees to the Annual Return and is regularly balanced.
- J.2 Reserves are £21.5K of which £6.4 is EMR/CiL and £15.1 general reserve.

K. Limited Assurance Review Exemption. The Council did correctly exempt itself in 2025-26 from external review.

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.

- L.1 The Council did publish the correct information during 2025-26.

M. Exercise of Public Rights This was correctly posted in 2025-26 for 2024-25

N. Publication of AGAR documents in 2025-26. These were correctly posted in 2025-26 for 2024-25.

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

- O.1 The Council has a generic email account hosted on an authority owned domain, has an IT policy, and the website is compliant with regulations with an accessibility score of 98%

P. Trust Funds. The Council is not a sole trustee and does not manage any trusts.