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BOURNHEATH PARISH COUNCIL (BPC)

Internal Audit Report for the Annual Governance and Accountability Return Financial Year Ending 31st March 2026

Ruth Mullett – Internal Auditor

This internal audit report is based upon the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide in England 2025 publication.

Scope of Audit

All parish councils are required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of their system of internal controls, risk management, and governance processes at the end of each financial year.

The council have complied with the requirement to appoint an independent auditor by appointing Ruth Mullett to undertake the work. I confirm that I am independent of financial decision making, financial management, financial control, and financial procedures of BPC.

I have examined documents with a view to report on BPC'S performance against the internal control objectives identified in the Annual Governance and Accountability Return 2025/26 Form 2.

Documents

I have examined the following documents given to me or accessed via the website: -

- Meeting minutes and agendas
- Bank statements.
- Summary reports for receipts and payments and bank account totals generated by an excel spreadsheet.
- Invoices
- Payments received/remittance advice documents.
- Audit documents including Annual Governance and Accountability Return (AGAR) documents.
- Notice of Public Rights
- Financial Regulations
- Standing Orders
- Policies

Annual Return Section	Process	Findings
A	Appropriate accounting records have been properly kept throughout the financial year	I have examined transaction records from the spreadsheets provided, transactions, payments and receipts and carried out a sample of the transaction records with the bank statements, invoices and payments received documents. I have also carried out an end of year bank reconciliation, and I have found no errors or omissions. **This internal audit objection was met**
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	I have checked compliance with Financial Regulations; I have considered the procedure to ensure transactions are correctly on the agenda for resolution and recorded in the minutes. I have taken samples of transactions of payments from the spreadsheet provided, found the corresponding invoices, and confirmed timely approval and payments. The spreadsheet shows that VAT is correctly accounted for, and that VAT has been claimed for from HMRC. **This internal audit objection was met**
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	I have seen evidence that a Risk Assessment has been carried out. The Risk Assessment was presented to full council on 14th May 2025. **This internal audit objection was met**
D	The precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate	The annual precept requirement resulted from an adequate budgetary process but the budget and precept figure were not correctly minuted. **See recommendation 1.** There is evidence of progress against the budget monitoring on the agenda and minutes**.** Reserves were appropriately accounted for. **This internal audit objection was met**
E	Expected income was fully received, based on correct prices, properly recorded, and promptly banked, and VAT was appropriately accounted for	Spreadsheets were examined and found no errors or omissions. **This internal audit objection was met**
F	Cash payments were properly supported by receipts; all cash expenditure was approved and VAT appropriately accounted for	Petty cash is not operated by the council for this financial year. **This internal objection was not covered**
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	Examination of printed records and invoices demonstrate that salaries and allowances (expenses) were correctly approved, and PAYE and NI requirements were correctly applied. PAYE is administered through HMRC Basic Tools. Councillors do not receive an allowance. **This internal objection was met**
H	Asset and investment registers were complete and accurate and properly maintained	The current asset register has correctly recorded all material assets. The correct basis of valuation has been applied and presented to full council on 14th May 2025

		This internal audit objection has been met
I	Periodic bank account reconciliations were properly carried out during the year	Bank reconciliations are presented to full council and approval minuted. I have found no errors or omissions. **This internal audit objection has been met**
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly accounted for	Accounting statements were prepared for BPC from Excel spreadsheets. The format of the reports included totals in bank accounts, a summary of receipts and payments and reports on reserve balance. I have compared a sample of the transaction records with the bank statements, invoices and payments received and found no errors omissions. **This internal control objective has been met.**
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	BPC meet the criteria to claim exemption and the decision was minuted at a full council meeting held on 14th May 2025. **This internal control objective has been met.**
L	The authority published the required information on a website up to date at the time of the internal audit in accordance with the relevant legislation	Councils with a budgeted income less than £25,000.00 who declare themselves exempt must comply with the Transparency Code for Smaller Authorities namely: - The following information must be published on an accessible website: - • Minutes, agendas, and papers of formal meetings • Items of expenditure over £100.00 • End year accounts. • Annual Governance Statement • Internal Auditors Report • List of councillor's responsibilities • Location of public land and building assets **This internal control objective was met.**
M	In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during 25/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by notice on the website and authority approved minutes confirming the dates set)	The Notice of Public Rights of the Annual Governance and Accountability Return for the year ended 31st March 2025 was examined. The commencement date is 3rd June to 14th July. This has been uploaded onto the website and the decision, together with the dates minuted. **This internal control objective was met.**
N	The authority has complied with the publication requirements for 2024/25 AGAR	The parish council complied with the publication requirements for 24/25 AGAR. **This internal control objective was met.**
O	The authority has complied with laws, regulations and proper practices relating to digital and data compliance	The authority demonstrates compliance with relevant data protection and information governance requirements. It is registered with the ICO, maintains appropriate policies, publishes required information on its website, and has basic IT and data security controls in place. **This internal control objective was met.**

P	Trust funds (including charitable) – the council met its responsibilities as a trustee	**This internal objection is not applicable**

Recommendations

1	The council should ensure that minutes clearly record the exact figures approved for the annual budget and precept, along with the formal resolution, to provide a complete and transparent record of decisions.

Finally, I would like to thank the clerk, Ro Hardeman for her assistance and co-operation in preparation for and during the course of the audit.

Kind regards



Ruth Mullett
BA (Hons) Community Governance