

Marie Singleton
Clerk to Aldingbourne Parish Council

14 April 2026

Dear Marie

Aldingbourne Parish Council – Internal Audit 25-26

The internal audit for the 25-26 financial year is now complete. I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

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 in two stages. The interim audit was carried out on 12 February, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 13 April and concentrated on the statement of accounts and balance sheet.

☎ 07958 990310

✉ mike@aprilskies.co.uk

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

Interim Audit

The RBS Alpha accounting system is used effectively. Financial records were up to date at the time of my audit, and all referencing on the accounting system was clear. The accounts folder is updated each month, upon closure of the accounting period by the Clerk. Key documents, including the trial balance, nominal ledger, bank reconciliation and bank statements are printed and filed in the accounts folder, together with invoices from suppliers, remittance advices and sales invoices.

The cashbook balance as recorded on the opening trial balance on the accounting system has been agreed to box 8 (cash) on the audited accounting statements for 24-25.

The Council has not yet submitted a VAT return in 25-26. Given the level of VAT to be reclaimed by the Council, annual VAT returns are sufficient.

Final Audit

The accounting statements have been agreed back to year end reports produced from the Rialtas accounting system. All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. A minor rounding error was pointed out to the Clerk for correction prior to finalisation of the AGAR.

I confirmed that the VAT return for period January to March 25 has been completed and was submitted to HMRC on 2 April 2026. VAT of £3468 was reclaimed, the Council is up to date with VAT. Vat outstanding agreed to the VAT control account at 31.3.26

My interim report was considered at the March Full Council meeting (minute 1786e)

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

Interim Audit

The Council has a detailed set of policies and procedures. These are published on the website, and are comprehensive, and subject to regular review. Financial Regulations and Standing Orders were updated at the Full Council meeting in May 25, these are based on current NALC templates and are up to date.

I selected a sample of expenditure transactions at random from the first ten months of the financial year. For each transaction selected I completed the following tests:

- Checked payment per accounting system agreed to invoice,
- Checked payment listing signed by Chairman (2 payments selected)

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- Confirmed VAT accounting correct on the ledger
- Checked expenditure appropriate for the Council

The Council has a satisfactory system for the authorisation of payments in place and financial regulations were followed for all transactions sampled.

I reviewed a grant payment to Aldingbourne Community Sports, to fund the cost of a centre manager. I am satisfied that the Council has properly considered the powers it has to make this expenditure, it is recommended that this is formally recorded in minutes.

Final Audit

Non pay expenditure per box 6 to the accounts amounted to £ 85,722 down from £122,778 in 24-25.

No further testing carried out at year end, sufficient assurance at interim audit.

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

Interim Audit

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. Money cover is set at £ 250,000. This was reviewed by Council as part of the insurance renewal process, and the Council is satisfied that coverage is sufficient, given mitigating controls such as dual signatory bank accounts.

Asset cover appeared satisfactory, with coverage consistent with the asset register. No buildings are insured, with assets insured as follows:

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Item Description	Sum Insured	
Office furniture	£1,008.79	
7 Noticeboards	£8,172.83	
2 Wayside Seats	£992.25	
Aldingbourne Community Sports Centre Play Equipment	£99,750.00	
3 x Salt Grit Bins	£1,984.50	
3 x Community Dog Bins	£1,984.50	
Playground/ Playing Field Litter Bins	£840.00	
Salt/Grit Spreader	£1,102.50	
CCTV	£15,986.25	
Defibrillator and cabinet	£1,102.50	
Fencing	£11,002.95	
Heras Fencing	£3,858.75	
10 x Councillor Laptops	£5,495.00	
Admin 2 x Laptops	£1,580.00	
30 X Litter pickers + 20 x Hoops	£1,627.45	
Printer	£214.99	
Hi Vis Jackets	£178.61	
Bronze Bench	£1,102.50	
Bronze Sculpture	£16,537.50	
3 x Bus shelter	£34,440.00	
Wood/Plastic Picnic Benches x 7	£3,326.24	
Charles Arnold Baker Book	£170.89	
Wooden Benches x 6	£2,282.70	
Village Gateway signs	£8,943.00	
Signal Indicator Display	£4,011.00	£100
Roadway Portable Trolley	£103.00	£100

The Council's risk assessment was reviewed and approved at the Full Council Meeting 4.11.25 (minute 1628g), after more detailed review at the Finance Committee in October. Further risk assessment reviews are carried out every 6 months. I have reviewed the risk assessment - it appears comprehensive and is actively managed by the Council, feeding into the budget setting process.

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

Interim Audit

The Council has largely completed precept and budget setting for 26-27. The Business Plan was approved at Finance Committee meeting 21.10.25 and Full Council 04.11.25. This fed into the 26-27 budget and precept planning process. Precept was approved at Full Council on 04.11.25 item 1628 (g) and confirmed at Full Council in February 2026, following receipt

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of tax base (1661 (c)). A precept of £164,125 was set.

The detailed budget for 2026/2027 is due to be agreed at the Finance Committee meeting 24.02.26 and then Full Council 03.03.26.

The Clerk continues to report the Council's budgetary position, as required by financial regulations. I confirmed the period 10 budget v actuals report was reported and discussed at the February 26 meeting of Full Council (agenda item 13.) At this point (80% of year) expenditure was at 65% of annual budget.

I will review reserves at my year end audit. I note the Council is undertaking a review of reserves and future projects, which will be concluded by Finance Committee and Full Council before year end.

Final Audit

Reserves at 31 March 2026 were £634,132 (24-25 £569,835).

General reserves at year end were £147K. This represents 94% of precept, which is at the upper level of recommended balances set out in the NALC Practitioners' Guide. The Council must continue to monitor general reserves to ensure they do not increase further.

Earmarked reserves at year end are set out below:

General Reserves	147,513
EMR - Community Facilities	234,320
EMR - Artwork Project Maintena	5,341
EMR - CIL	121,958
EMR - ANP	80,000
EMR - Playground Equipment	30,000
EMR - Trim Trail Equipment	15,000

I have confirmed that the Council has plans for the earmarked reserves set out on the balance sheet, and that these were reviewed by Council in 25-26.

The final iteration of the 26-27 budget was approved at the Full Council meeting on 3 March 26 (minute 1678h), after the approval of the precept in November.

E - Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Interim Audit

The Council receives minimal non-precept income. I checked one receipt at my interim audit - £30,422 CIL monies. This was checked to a remittance advice from ADC and to the bank statement.

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Final Audit

Precept per box 2 to the accounts was £156,676 (24-25 £156,254). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £45,723 (24-25 £93,928). No further testing carried out at year end, sufficient assurance obtained at interim audit.

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

No 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.

Interim and Final Audits

Staff costs per box 4 to the accounts were £52,380 (24-25 £46,899).

I tested Clerk's pay for October 25 . I agreed cashbook payment back to payslip. I also checked q3 HMRC payments back to payroll records.

The Clerk logged into the Council's HMRC account, and was able to show that there are no overdue payments relating to payroll taxes.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff salary and payroll costs, as required by regulations. (clerk's salary and payroll taxes)

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

Final Audit

Fixed assets per box 9 to the accounts were £ 214,472 (24-25 £210,552).

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

Additions of £3,920K have been recorded on the asset register. A schedule of additions has been provided. These are 4 fingerposts / 4 hanging baskets and smaller items for events

There have been no deletions in 24-25.

I am satisfied fixed assets are properly accounted for.

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

Interim Audit

I reviewed minutes, and this demonstrated that the Council bank accounts are being reconciled promptly each month, reviewed by a councillor, and balances reported at Full Council meetings. I reformed the October bank reconciliation and for bank accounts I was able to:

- Confirm balances back to bank statements
- Check arithmetic
- Confirm cashbook balance to the Council's RBS accounting system
- Confirm the bank reconciliation has been subject to councillor review, properly evidenced on the bank reconciliation and the bank statement.

The Council has an Investment Policy in place, this was adopted at Council on 06.05.25 minute 1545 (x). Next review is due at Finance Committee meeting in February following investments placed by the Council.

Final Audit

Borrowings per box 10 to the accounts were £nil (24-25 £ nil)

Cash per box 8 to the accounts was £630,663 (24-25 £565,468)

I reformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate - review was completed at the April meeting where Councillor signature was provided.

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.

Aldingbourn PC has produced accounts on an accruals basis, this is now the normal position at this Council as income / expenditure was above £200k for the 3 years prior to 24-25. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation. An explanation of year-on-year variances has also been prepared and provides detailed explanations for review by external audit. I have made recommendations to the Clerk to clarify this document, to make matters clearer for external audit.

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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

I sample checked transparency data published on the Council website:

- Expenditure over £500 – published to end of March 2026
- Procurement – 25-26 contracts published

M - Arrangements for Inspection of Accounts

Inspection periods for 24-25 accounts were set as follows

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

All regulatory requirements were met in this regard.

N: Publication requirements 24-25 AGAR

The external audit certificate, accounting statements and annual governance statement have been published on the Council website. The conclusion of audit certificate has been published, dated 25 July, before the deadline of 30 September and on the date of the audit certificate (25 July). There is an archive of AGAR documentation on the website, as required by regulations. The Council has met its obligations in this area. The external auditors raised 3 points in the “other matters “ section of the certificate.

The published Notice of Public Rights requires the name/signature of the person placing the notice, usually the RFO, to be entered at (e) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b). We do note this has been entered at (b) however the council should ensure this is completed in the future.

Upon review, the council's general reserves are higher than the generally accepted level for smaller authorities. General reserves are the level of reserves after adjusting for any earmarked or ringfenced funds. Per Paragraph 5.34 of JPAG Practitioners' Guide 2024, best practice suggests that general reserves should cover at least 3 months of expenditure and anything greater than 12 months of expenditure is considered excessive.

Please note that the reconciliation between boxes 7 and 8 was not provided to us and therefore we were unable to confirm the movement between these boxes. Please would you ensure this document is included within the initial submission going forwards.

I review reserve balances in section D of this report.

The external audit certificate was reported to Full Council in December 2025 (item 1644)

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

Final Audit

The Council has completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. This has been completed by an external consultant, Process Matters 2, alongside the Council's ICT support contractors. The conclusion of this review is that the Council is compliant with the requirements of Assertion 10, and there is sufficient evidence to support council sign off on the Annual Governance Statement.

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

The council is trustee of the Westergate Recreation Ground – Charity 277880. The annual return for 24-25 has been submitted to the Charity Commission well before the statutory deadline. The Charity is held as a separate company on RBS, and separate meetings are held. Income and expenditure continue to be below the £25K threshold where an independent examination is required.

I would like to thank you for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27.

Yours sincerely,



Mike Platten CPFA

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Appendix A – Recommendations

Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
I reviewed a grant payment to Aldingbourne Community Sports, to fund the cost of a centre manager.	I am satisfied that the Council has properly considered the powers it has to make this expenditure, it is recommended that this is formally recorded in minutes	

No recommendations at year end audit

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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
K	Exemption from limited assurance review	Council had limited assurance review last year

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