

BETCHTON PARISH COUNCIL

INTERNAL AUDIT REPORT – FINANCIAL YEAR 2025-26

The Internal Audit has been undertaken with reference to page 4 of the Annual Governance and Accountability Return 2025-26, and Section 4 of the Governance and Accountability for Smaller Authorities in England Practitioners Guide. The opinion formed during the Internal Audit is based on the evidence provided in the form of documents, accounts and receipts etc., in addition to consultation with the Clerk.

Area Covered	Observations	Recommendations
A. Appropriate accounting records	Accounting records are kept on a spreadsheet, referencing expenditure to minutes and budget headings. Supporting documents are kept digitally.	
B. Financial regulations, payment controls and VAT	Expenditure is approved in meetings, sometimes retrospectively, and referenced to minutes and budget headings. VAT is now being recorded in the cashbook and a VAT claim was received in the year relating to 24-25. There was an input error on the claim which the Clerk has been made aware of, and has confirmed this will be adjusted for. No claim has yet been made for 25-26. This will be done on an annual basis after the year-end.	Care should be taken when recording VAT and submitting claims. An adjustment must be made on the claim for 25-26 to correct the overclaim.
C. Risk management	A detailed risk assessment is published on the website. It is not clear when this was prepared/reviewed, but assurance has been given that this is reviewed annually. A comprehensive Zurich insurance policy is in place with public liability of £12m and employer liability insurance of £10m. Physical assets have adequate level of cover.	
D. Budgetary process	A Draft budget for 26-27 was submitted for approval and attached to minutes 2/1/26.	
E. Income controls	An increase to the precept for the coming year was discussed and approved 2/1/26. A grant of £10k was received in the year to go towards the Neighbourhood Plan. This has been ringfenced in an updated 26-27 budget.	

F. Petty cash	There were no petty cash transactions.	
G. Payroll controls	The clerk's salary has been processed by Coxey's Chartered Accountants, which should ensure accurate calculation of net pay and tax and RTI filing with HMRC.	
H. Asset controls	The asset register has been updated in the year. The register states that assets were inspected on 'various dates', but it is unclear, which, how often or by whom.	Specific dates of inspection should be noted and the register signed off by the person who has made each inspection.
I. Bank reconciliation	Bank reconciliations are done on a regular basis, presented at meetings and approved in the minutes. The cashbook reconciled to bank statements at the year-end.	
J. Accounting statements	The financial statements are prepared on the correct basis and agree to the accounting records.	
K. Exemption from assurance review	A certificate of exemption was correctly filed for 24-25.	
L. Website	Information required by the Transparency code for smaller authorities is available on the website. Bank reconciliations and variances are within the minutes.	
M. Exercise of public rights	The 2024-25 Notice of Public Rights was published on the website, dated 15/4/25 for the period 3/6-14/7/25. It is impossible to tell when this was posted to the website.	
N. AGAR publication	Publication requirements for the 2024-25 AGAR have been fulfilled.	
O. Digital and data compliance	The Council is registered with the Information Commissioner's Office.	