

# **FISHBOURNE PARISH COUNCIL**

## **INTERNAL AUDIT REPORT 2025-26**

### **1. INTRODUCTION**

All Local Councils in England are required to complete an Annual Governance and Accountability Return (AGAR) summarising their financial records at the end of the financial year. The Annual Report of the Internal Auditor section of the AGAR needs to be completed by an Auditor who shall be independent of the Council. The Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

### **2. SCOPE OF AUDIT**

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

- Matching of financial statements to invoices and receipts.
- Examination of budget preparation & precept setting.
- Inspection of bank statements.
- Matching of cheques/electronic transfers to payment records.
- Examination of Risk Assessment.
- Compliance with Transparency Code.
- Assertion 10 Compliance

### **3. FINDINGS**

- (1) Arrangements for PAYE and pension provision are carried out by the Community Action and all deductions are efficiently managed.
- (2) The accounting record's bank statements and bank reconciliation for the year ended 31<sup>st</sup> March 2026 were examined and agreed. The bank reconciliation is carried out on a monthly basis and signed by the Chairman. A petty cash account is not used.
- (3) The Council reviewed and adopted its Financial Regulations and Standing Orders in May 2025. All actions tested were found to be in compliance with the financial regulations.
- (4) The Council had prepared an annual budget in support of its precept and all cheque and electronic payments are approved at Council meetings.
- (5) The budget for 2026-27 was approved at the 13<sup>th</sup> January 2026 meeting and the gross precept remained at £17,000 with £10,185 taken from reserves to make up the budget. Minute 150/25-26 refers.
- (6) Expected income had been fully received and documented with VAT properly accounted for and claimed. The Isle of Wight Council's policy is to pay the precept in full in April and the precept for the 2025-26 financial year was received on the 7<sup>th</sup> April 2025.

- (7) Risk Assessments are in place and all policies were reviewed at the May Annual Meeting. The Council is insured by Clear Councils and is due for renewal on 1 June 26.
- (8) S137 was used during the year and it is clearly identified in the cashbook. The limit for the expenditure is correctly observed.
- (9)
- (i) Fishbourne Parish Council has income & expenditure of less than £25,000 per annum and is therefore only required to submit to the External Auditor a contact detail and a Certificate of Exemption signed by the Chairman & RFO. The Annual Governance and Accountability Return (AGAR) and associated documents need to be placed on the website by 1<sup>st</sup> July each year and this action was taken to cover the 2024/25 accounting period.
- (ii) The approval of the Annual Report of the Internal Auditor section of AGAR needs to take place prior to the approval of the Annual Governance Statement (Section 1) and the Accounting Statements (Section 2). This should be clearly recorded in the minutes of the Parish Council and was compliant for the 2024/25 accounting period. It is considered good practice to minute the dates for the exercise of public rights, this was compliant for 2024/25 and the notice was displayed correctly.
- (10) The Transparency Code for Smaller Authority's requires the publication of certain information on a website and the Council is fully compliant. There is a dedicated page with a link to the full code.
- (11) Assertion 10 – The requirement for a secure email is fully compliant. An IT policy is not in place, although one will be adopted at the May 2026 meeting. The website has an accessibility statement and was been tested in July 2025. However, the website does not currently meet the required standard.

#### **RECOMMENDATIONS**

- Consider ways to ensure the website is fully compliant with the current standard
- Ensure the IT policy is adopted, reviewed annually and consider ways to review any data held.

**Having regard to the above I believe I have adequate assurance to complete and sign the Annual Internal Audit Report section of the Annual Governance & Accountability Return.**



**MAXINE WARR**

**20<sup>th</sup> APRIL 2026**