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12 January 2026

The Parish Clerk

Ashurst and Colbury Parish Council

3 Kimberley Close,  
Pretoria Road,  
Hedge End  
SO30 0BH

Dear Karen

**Interim Internal Audit Report**

**Ashurst and Colbury Parish Council – April 2025 to December 2025**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2025-2026 Annual Governance and Accountability Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2025
- The Accounts and Audit (England) Regulations 2015 (as amended).

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**Background**

Ashurst and Colbury Parish Council had income and expenditure of between £50,000 and £100,000 in 2024-2025 and is subject to a Limited Assurance review by the External Auditor, BDO. The Council had two “other matters” from the External Auditor 2024-2025 which states:

**“Other matters”:**

- *The AGAR was not accurately completed before submission for review. The AGAR was returned for amendment and has been corrected.*
- *The smaller authority’s reserves appear excessive as, after accounting for the earmarked reserves, general reserves are greater than annual expenditure. A smaller authority has no specific right to accumulate funds via the precept. The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests and as part of their annual budgeting process. Any earmarked reserves should also be considered and formally approved by the smaller authority.*

**(Audit Note: The External Auditor raised no other matters regarding the AGAR resubmission. We have noted their comments on Reserves but believe they overlook the need for extra funding in 2025-2026 for a new play area. We are confident the Parish Council's funds are suitable for 2025-2026.)**

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code Regulation 2015 and the ICO publication scheme.

The Council’s accounting records are maintained on Scribe software.

The first interim internal audit review was agreed with the Parish Clerk to be carried out on 12 January 2026.

The Parish Clerk provided back-up information electronically in advance of the review and allowed view access to the Scribe software to be able to check financial transactions posted to the cashbook and check details entered on the VAT reimbursement claims. The review covered the period April 2025 to December 2025 which supports the current governance and financial management position of the Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council’s website.

We are pleased that the financial health of Parish Council is being checked by the Parish Clerk/Responsible Finance Officer in 2025-2026 but continue to remind the Parish Council the details shown in the Practitioners Guide 2025 that recommends a minimum of 3 to 6 months of expenditure totals should be held as general reserves by Parish Councils to ensure financial stability.

We have discussed with the Parish Clerk the need for the Parish Council to remain compliant with the requirements of new Assertion 10 on the Governance Statement 2025-2026 shown in paragraph 1.47 to 1.54 of the Practitioners Guide 2025-2026. An IT and Email Policy will need to be produced and uploaded to the Parish Council website before the 31 March 2026.

National Association of Local Councils (NALC) has recently launched an Assertion 10 Hub on its website to provide Councils with a roadmap to navigate all the requirements needed to meet Assertion 10. **(Audit Note: We are currently awaiting for further confirmation from the National Association of Local Councils as to the requirements needed to publish all payment over £100.00 to comply the ICO Publication Scheme [template-parish-councils-20211029.doc.](#))**

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We have sent a link to the Parish Clerk and recommended that this is checked to ensure all the requirements can be met.

### **Internal audit checks**

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the review.

During this review we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income and expenditure
- VAT claims
- Insurance
- Budgets and Reserves
- Payroll
- Transparency of the Council website

### **Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Council maintains its books and records on Scribe
- Staff remain aware of the requirements of GDPR.
- The Council is registered with the ICO
- Details of total payments authorised at meetings
- All records were up to date and easy to follow
- VAT reimbursement claims are submitted to HMRC on a regular basis
- The budgeting process is detailed and monitored throughout the year
- Bank reconciliations are carried out promptly and were accurate
- Tender procedures are appropriate in line with Standing Orders on Contracts
- Payments to HMRC for National Insurance and PAYE are made regularly.
- The Insurance is appropriate for the size of the Council
- Salary payments to the Clerk are correctly calculated.

### **Recommendation**

#### **Policies**

- The Parish Clerk should ensure that all policies and procedures are uploaded to the Parish Council website to ensure it remains compliant with the new Assertion 10 requirements including the Transparency Code Regulation 2015 and ICO publication scheme. (**Audit Note: We have supplied a copy of the relevant ICO publication scheme template so this can be checked and agreed to the current version used by the Parish Council**).

**Other matters to be brought to the Council's attention**

- The financial risk assessment may need updating to reflect the current reserves position and budgetary requirements of the Parish Council for 2026-2027, particularly if assets transfers are received from New Forest District Council as part of Local Government Reorganisation in Hampshire. If high risks are shown these should be identified and action taken so the risks are reduced
- The Parish Council are reminded of the importance of regularly reviewing Reserves to determine if the sums held remain sound, and to confirm where earmarked reserves have not been used if these remain appropriate or can be returned to general reserves.
- The Council has provided evidence of the posting date for the Exercise of Public Rights in 2025 so they can tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2025-2026 to comply with the requirements of the Accounts and Audit Regulations 2015. We will also be able to tick "Yes" to Control Objective M on the Annual Internal Audit Report 2025-2026.
- We note that the risk assessment for 2025-2026 will need to be approved by the 31 March 2026 by the full Parish Council. Once completed we will be satisfied that the Council can tick "Yes" to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2025-2026 to comply with the requirements for the External Auditor. We will tick "Yes" to Control Objective C on the Annual Internal Audit Report 2024-2025.
- The Parish Clerk will need to ensure that the Asset Register is kept up to date to record the value of new purchases. This will ensure that the totals reflected in the End of Year figures for Box 9 on Section 2 Accounting Statements are accurate for reporting to the External Auditor. The Asset Register should be reviewed and approved by the full Parish Council before the 31 March 2026.
- The Parish Council is reminded to check with their website provider the changes necessary to adhere to the requirements set out in the website accessibility rules which are covered by Assertion 10. The Parish Council website should now meet the new WCAG 2.2 AA standard for website accessibility. **(The Parish Clerk will confirm this with the website provider).**
- The External Auditor continues to remind Councils that it is best practice that Authorities should review and approve each financial year:
  - the appointment or continuing appointment of the Internal Auditor.
  - that the Internal Auditor is independent of the Council.
  - the effectiveness of the Internal Audit.

***(Audit Note: We have already informed the Parish Clerk will need to appoint a new internal auditor for 2026-2027. We further recommend meeting the best practice requirements recorded in the Practitioners Guide 2025 the Parish Council should continue approving and recording these details in the Minutes of the full Town Council).***

**We also remind the Parish Council that:**

- any CiL or S106 monies not used in the financial year should be recorded in Earmarked Reserves.
- the Insurance renewal details should be reviewed and recorded in your minutes of the Council or Committee in each financial year, even if you are locked in a three-year agreement.

## **Conclusion**

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Ashurst and Colbury Parish Council except where we have made recommendations in this report. We have made this recommendation to strengthen the existing internal controls to protect the financial security of the Parish Council for future years.

## **Next visit**

The next internal audit review has been arranged for **Tuesday 05 May 2026 (pm)**.

At this review detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash.
- Investments
- Risk Assessment
- Income and Expenditure
- Reserves
- Asset Register
- VAT claims
- Transparency Code Regulation 2015 and ICO Publication Scheme
- Assertion 10
- Budget 2026-2027
- Preparation for End of Year Procedures

## **Next Steps**

This report should be noted and taken to the next meeting of the full Parish Council. They should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT, AATQB  
Internal auditor