

# Keith Robertson Internal Audit Services

## DITCHLING PARISH COUNCIL

### Internal Audit Report May 2026

#### Introduction

In accordance with the Internal Audit Plan, Procedures have been tested. The tests were to the standards and practices defined in the Governance and Accountability for Smaller Authorities published for the 2025-26 year and meet the needs of the Council. I confirm that I do not have any role within the Council and have carried out my duties without bias.

The audit was completed on 19<sup>th</sup> May 2026 at the Council's office with the Clerk/RFO. The audit focussed on process, procedure and substantive in addition to the interim audit in October 2025. No issues were found that require attention within the scope of the audit. The report below highlights the findings of the audit.

#### **Audit Scope & summary of results .**

Internal Audit test area	Tested Y/N	Result
A: Appropriate Accounting Records.	Yes	Tested and confirmed adequate May 2026
B: Financial Regulations, documentation, and approvals	Yes	Tested at interim audit Oct 2025
C: Risk	Yes	Tested at interim audit Oct 2025
D: Budgeting & Precept	Yes	Tested and confirmed adequate May 2026
E: Receipts	Yes	Tested and confirmed adequate May 2026
F: Petty Cash	No	Not applicable.
G: Employee Costs	Yes	Tested at interim audit Oct 2025
H: Assets	Yes	Tested and confirmed adequate May 2026
I: Bank Reconciliations	Yes	Tested and confirmed adequate May 2026
J: Accounting Statements	Yes	Tested and confirmed adequate May 2026
K: Limited Assurance Review Exemption	Yes	Not applicable.
L: Transparency data publication and website/email	Yes	Tested at interim audit Oct 2025.
M: Exercise of Public Rights	Yes	Tested at interim audit Oct 2025
N: AGAR Publication requirements	Yes	Tested at interim audit Oct 2025
O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	Yes	Tested and confirmed adequate May 2026
O: Trustees	Yes	No applicable.

## **Interim Internal Audit Report May 2026**

### **A. Appropriate Accounting Records.**

- A.1 The AGAR prior year brought forward data is correct and agrees to the financial records.
- A.2 The AGAR reports produced for 2025-26 agree to the financial records.
- A.3 The financial records are held using the RBS financial system. The financial ledgers are kept up to date.
- A.4 The data held for each of the transactions sampled in this audit was correct; the cash book and ledger is arithmetically correct and regularly balanced.
- A.5 Bank reconciliations are properly carried out throughout the year.

### **B. Financial Regulations, documentation, and approvals.**

- B.1 Financial regulations are up to date.
- B.2 Processes were tested at the interim audit.
- B.3 Sample testing confirmed authorisations were correct and documented.
- B.4 VAT is properly accounted for and recovered.

### **C. Risk**

- C.1 A formal comprehensive Risk Register is maintained, and up to date and is adequate for the needs of the Council.
- C.2 Insurance – The Parish Council's Insurance is adequate for buildings content and liability risk.
- C.3 The processes in place to monitor risk on public places managed by the Council are adequate.

### **D. Budgeting & Precept.**

- D.1 Budgetary Control – The annual budget was prepared in support of the precept for 2026-27 with a detailed review of receipts and payments Ytd, Forecast and Budget. This was approved by the Council and recorded in the minutes.
- D.2 Reserves were considered when setting the budget. [A clear numeric grid of reserve balances and movements for the forecast and budget would further improve controls.](#)
- D.3 Reporting. Actual expenditure is reported and is compared to the budget using the RBS reports and Excel reports.

### **E. Receipts**

- E.1 Income is primarily from the annual precept, bank interest, sport club fees and burial fees. The process for issuing invoices, receiving funds and managing debtors is adequate
- E.2 VAT receipts were correctly accounted for
- E.3 The burials register and fee receipts process were reviewed and are adequate. Sample tests confirmed the process is correctly followed.

### **F. Petty Cash – No petty cash is used.**

### **G. Employee Costs.**

- G.1 Payroll and accounting for Staff Wages was tested in the interim audit.
- G.2 A sample of payroll transactions confirmed processes were correctly followed.
- G.3 The payroll is managed by the Clerk/RFO using the HMRC payroll system.
- G.4 Payroll data in the accounts agreed to the AGAR.

### **H. Assets.**

- H.1 Assets – An Asset register is maintained and was reviewed in 2025-26. The cost values logged in the register agree with the AGAR as at 31-3-26.
- H.2 Purchased/disposed of assets in the year are clearly stated.
- H.3 Asset values stated on the register align to the insurance policy schedules.

**I. Bank Reconciliations.**

- I.1* The process for preparing & reviewing the bank reconciliations was tested in the interim audit and meets the standards.
- I.2* Bank reconciliations were prepared, reviewed and noted in the minutes.
- I.3* The bank reconciliations at 31-3-26 were correct.
- I.4* The bank balances in the accounts agree to the AGAR.
- I.5* Noted there is no investment policy for funds in excess of £100K but funds are split over several low-risk banks and balances are expected to fall below £100K when high spending on projects occurs in 2026-27.

**J. Accounting Statements**

- J.1 The accounts are maintained on a Receipts and Payments basis and agree to the financial reports and the Annual Return.
- J.2 There is an audit trail through the financial records with all items sampled being properly reported and approved.

**K. Limited Assurance Review Exemption.** Not applicable

**L. Transparency code.** This council complied with the publication requirements.

**M. Exercise of Public Rights.** The notification of public rights for 2024-25 was published in and was compliant with the regulations.

**N. AGAR Publication requirements.** The Council correctly published the required documents for 2024-25.

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

- O.1 The Council has an IT policy and DP compliant.
- O.2 The Website was tested and compliant with regulations.
- O.3 The Council has .Gov website and email addresses.

**P. Trustees.** The Council is not a sole trustee.

Keith Robertson FCMA  
Internal Auditor  
21<sup>st</sup> May 2026