Annual Internal Audit Report 2025/26

HARTLIP PARISH COUNCIL

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During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")*			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations *(during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).*	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		

P. **(For local councils only)** Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

13/10/2025 13/04/2026

Name of person who carried out the internal audit

Lionel Robbins

Signature of person who carried out the internal audit

[redacted]

Date 13/04/2026

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

******Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report **must** explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

HARTLIP PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

	Agreed		
	Yes	No*	'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*
3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		*considered and documented the financial and other risks it faces and dealt with them properly.*
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		*arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		*responded to matters brought to its attention by internal and external audit.*
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A — *has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*
			✓
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	✓		*has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.*

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

13/05/2026

and recorded as minute reference:

549.FCM/05/26

Signed by the Chair and Clerk of the meeting where approval was given:

Chair [redacted]

Clerk [redacted]

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Section 2 – Accounting Statements 2025/26 for

HARTLIP PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures **must** agree to underlying financial records.*
1. Balances brought forward	32,451	26,344	*Total balances and reserves at the beginning of the year as recorded in the financial records. Value **must** agree to Box 7 of previous year.*
2. (+) Precept or Rates and Levies	20,000	21,546	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	41,200	16,057	*Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.*
4. (-) Staff costs	3,787	5,920	*Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.*
5. (-) Loan interest/capital repayments	0	0	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	63,521	18,574	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	26,343	39,453	*Total balances and reserves at the end of the year. **must** equal (1+2+3) - (4+5+6).*

8. Total value of cash and short term investments	26,343	39,453	*The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – **To agree with bank reconciliation.***
9. Total fixed assets plus long term investments and assets	70,349	72,479	*The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.*
10. Total borrowings	0	0	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

For Local Councils Only	Yes	No	
11 Do the figures in the accounting statements above exclude any trust transactions?			*For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.*

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

[redacted]

Date 13/04/2026

I confirm that these Accounting Statements were approved by this authority on this date:

13/05/2026

as recorded in minute reference:

549.FCM/05/26

Signed by Chair of the meeting where the Accounting Statements were approved

[redacted]

Local council name: __Hartlip Parish Council_____

Notice of appointment of date for the exercise of public rights

Accounts for the year ended 31st March 2026

The Local Audit and Accountability Act 2014, and

The Accounts and Audit (England) Regulations 2015 (SI 234)

1. Date of announcement: 2 June 2026 (a)	(a) Insert date of placing of this notice on your website.
2. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2026 these documents will be available on reasonable notice on application to:	
(b) Mr Clive Henley – Clerk / RFO clerk@hartlippc.gov.uk	(b) Insert name, position and contact details of the Clerk or other person to whom any person may apply to inspect the accounts.
commencing on (c) 3 June 2026	
and ending on (d) 14 July 2026	(c)And (d)The inspection period must be 30 working days in total and commence no later than 1 July 2026.
3. Local Government Electors and their representatives also have: • the opportunity to question the auditor about the accounts; and • the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Authority (f). The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.	
4. The auditor's limited assurance review is being conducted under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your review is being carried out by: Forvis Mazars LLP, Newcastle Office via 30 Old Bailey, London, EC4M 7AU Email: local.councils@mazars.co.uk	
5. This announcement is made by *(e))* Mr Clive Henley – Clerk	(e) Insert name and position of person placing the notice

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Attachment 1.1 - Bank Reconciliation - Year ended 31 March 2026

Guidance per the Practitioner's Guide 2025 (selected)

Point 1.10 - *"Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end and reviewed by members of the authority".*

Point 5.20 - *"The year-end bank reconciliation is a key financial control as it will provide evidence to support the total cash and short-term investments balance shown in Line 8 in Section 2 of the authority's AGAR. As bank statements may be made up to different dates in the month, care should be taken, particularly at year-end, to ensure that the statement being reconciled includes balances as at 31 March".*

Point 5.175 - *"Where an authority holds short-term investments such as deposit or savings accounts, all year-end balances must be reported in detail within the bank reconciliation and be included in the sum of line 8".* For more information on short-term investments, please see point 2.23 of the Practitioner's Guide 2025.

Instructions for completing this template

1. Please fill in the figure from the Annual Governance and Accountability Return (AGAR) for the Box 8 Cash and Cash Equivalents balance.
2. Complete the relevant sections to disclose the value of any cash held at bank accounts, any other cash amounts e.g., petty cash, any unbanked cash and any unpresented cheques. Each section includes a total and this will feed into a Net Balances figure towards the bottom of this template.
3. The final row calculates a difference between the Box 8 value per the AGAR and the adjusted bank balance at 31 March 2026. This should be NIL (or round to nil) for the balance to be satisfactorily reconciled.

NB: If the authority has either total income (Boxes 2+3) or total expenditure (boxes 4+5+6) above £500,000, the authority must provide a copy of the bank statement(s) showing the value of the bank account(s) at 31 March 2026 to support the figures per this template.

Box 8 Cash and Cash Equivalents	**39,453.15**	
Bank Statement Balances		
Lloyds Community Account	39,453.15	
Total Cash at Bank	**39,453.15**	
Additional Balances e.g., petty cash, short-term investments		
Total Additional Cash Balances	**0.00**	
Total Balances at 31 March 2026	**39,453.15**	*calculated figure*
ADD unbanked cash		
Total Unbanked Cash	**0.00**	
LESS unpresented cheques		
Total Unpresented Cheques	**0.00**	
Net Balances at 31 March 2026	**39,453.15**	*calculated figure*
Difference	**0.00**	*calculated figure*

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Statement of Variances - Year ended 31 March 2026

Instructions for completing this template:

1. Enter figures per the AGAR in the cells highlighted in light blue. This will automatically calculate a difference and a percentage change between years.
2. If the variance is within 15%, no explanation is required (except fixed assets). However, if it is outside this threshold, the percentage difference will highlight in yellow and an explanation is required.
3. Explanations should be entered in the 'Item' column within each section, quantified as appropriate. This will automatically calculate the remaining difference and the percentage unexplained. There is additional space in the 'Additional comments/explanations' column, where a more detail explanation can be provided for the movement between years.
4. Once a sufficient explanation has been given to bring the percentage within 15% between years, the percentage difference cell will highlight as 'green' in the 'explained' line.

Please note that for fixed assets, regardless of the percentage change in the figure, an explanation is required for the movement.

Item	2024-25	2025-26	Difference	%	Additional comments / explanations
Box 2: Precept or Rates and levies	**20,000.00**	**21,546.00**	**1,546.00**	**7.7%**	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 2: Precept or Rates and levies (explained)			**1,546.00**	**7.7%**	**No further explanation needed**

Box 3: Total other receipts	**41,200.00**	**16,057.00**	**-25,143.00**	**-61.0%**	
Two Grants received	29,000.00	0.00	-29,000.00		Prosperity Fund Grant £19000
			0.00		National Lottery Grant £1000
			0.00		
			0.00		
			0.00		
Box 3: Total other receipts (explained)			**3,857.00**	**9.4%**	**No further explanation needed**

Box 4: Staff costs	**3,787.00**	**5,920.00**	**2,133.00**	**56.3%**	
Previous year clerk had worked unpaid hours in excess of 100 hrs		1,820.00	1,820.00		On average 2 More Clerk hours paid per week during 2025/26
			0.00		
			0.00		
			0.00		
			0.00		
Box 4: Staff costs (explained)			**313.00**	**8.3%**	**No further explanation needed**

Box 5: Loan interest/capital repayments	**0.00**	**0.00**	**0.00**	**#DIV/0!**	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 5: Loan interest/capital repayments (explained)			**0.00**	**0.0%**	**No further explanation needed**

Box 6: Other payments	**63,521.00**	**18,574.00**	**-44,947.00**	**-70.8%**	
Recreation Ground Improvement Project	40,516.00		-40,516.00		Wicksteed Invoice for playground equipment
			0.00		
			0.00		
			0.00		
			0.00		
Box 6: Other payments (explained)			**-4,431.00**	**-7.0%**	**No further explanation needed**

Guidance: please consider any movements in other payments and whether these may impact the movement in fixed assets in Box 9 below.

Box 9: Fixed assets plus long-term investments	**70,349.00**	**72,479.00**	**2,130.00**	**3.0%**	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 9: Fixed assets plus long-term investments (explained)			**2,130.00**	**3.0%**	**Further explanation needed**

Box 10: Total borrowings	**0.00**	**0.00**	**0.00**	**#DIV/0!**	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 10: Total borrowings (explained)			**0.00**	**0.0%**	**No further explanation needed**

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