Report to Ashdon Parish Council
Internal Audit of the Accounts for the Year Ending 31st March 2026

The primary objective of Internal Audit is to independently review, appraise and provide assurance upon the control environment, making sure that controls are mitigating the Council from increased risk exposure, and to achieve this, the internal auditor will adopt a predominantly systems-based approach to audit.

The Accounts for the year ending 31st March 2026 can be summarized as follows:

Income for the year:	£58,572.76
Expenditure for the year:	£65,905.03
Precept figure:	£45,310.00
General Reserves:	£30,212.21
Earmarked Reserve:	£36,700.00

The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the scope previously approved by the Council with particular emphasis upon the following:

- **Review and assess the soundness, adequacy, effectiveness and reliability of financial and performance management systems**
- **Review and assess the efficiency and effectiveness of internal control arrangements and working practices and make recommendations to improve these where appropriate**
- **Review and assess the adequacy of procedures to ensure the Council's assets and interests are adequately protected and risks are identified and effectively managed**
- **Check for compliance with legislation and the Council's integrity and ethical standards, policies and procedures**

Comments and any recommendations arising from the review are made below.

Summary

The Internal Auditor offers her appreciation for the assistance given by the Clerk in the completing of this audit.

The internal audit review has provided evidence of the overall adequacy of the financial arrangements in place within the council. The examination of the year-end accounts and supporting documentation has further confirmed that the Clerk acting as Responsible Financial Officer has undertaken the administration of the Council's financial affairs in a sufficient manner to ensure that standards are being met that the provision of financial management information has enabled the Council to make well-informed decisions.

Recommendations made and/or commentary provided are to enhance the governance systems in place as opposed to detract from the positive assurance that can be given as to the manner in which the council's finances are being managed.

For further information and for the year effective 1st April 2026 please refer to ***Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices*** *to be applied in the preparation of statutory annual accounts and governance statements - March 2026.*

Internal Audit Review - subject & tests carried out	Comments/Recommendations
1. Accounting Records. **Examination of** • **Accounting system** • **Cashbook** • **Reconciliations of cashbook**	The Council continues with its use of excel spreadsheets which allows it to produce reports that quantify the amounts that have been spent in a given period along with the income received and the council's over all financial commitments. An analysis of the accounting procedure ensures that the Responsible Financial Officer (RFO) Clerk continues to achieve an accurate presentation of an authority's true financial position by focusing on the balance of economic benefits that it has under its control, rather than just its bank balance. Clear financial management information is provided to the Council on both a monthly and annual basis. Spot checks were made and were found to be correct. Cash books are reconciled on a regular basis. The cashbook shows daily entries of receipts and expenditure and the matters to which they relate. The Responsible Financial Officer (RFO) is able to produce reports on a Receipts and Payments basis.
2. Preparation of Accounts: Payment Controls **Examination of:**	A selection of random payments was cross checked against cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper

• **Cash book entry** • **Supporting paperwork** • **Minuted approval** • **Review of method of payment** • **VAT identified, reported and reclaimed** • **Review of estimates, quotes and tenders** • **Power to Pay**	Practices. The Clerk ensures that there is clarity in the management of the process for payments that are awaiting authorisation. This has allowed payments to be fully validated and interrogated as to whether the payment is in line with prior approvals and/or budgetary constraints. Following the implementation of a system in January 2025, a nominated Councillor provides independent verification of the internal controls implemented by the Council in the processing of council's liabilities in terms of creditors due. The Clerk, during the previous year, implemented a system ensuring that, upon receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT. *Comment: this not only continues to fulfil an internal control objective but also provides assurance that council is seeking to safeguard of public money as well as provides protection for the Clerk from unforeseen errors and omissions.* Council, in accordance with best practice, has ensured that it utilises a two-tier security system for payment of its debts which are settled by cheque. The system ensures that the instructions for each payment are signed by two authorised bank signatories following submission of invoices by the RFO. For all such payments raised, council is continuing to operate within the parameters of adopted Financial Regulation 6.2. *Comment: This not only protects the RFO but continues to fulfil an internal control objective to ensure the safeguarding of public money.* VAT has been identified in the cash book and is reclaimed on an annual basis. At year end the VAT outstanding position stood at £6,752.202 and will be submitted as a reclaim once HMRC details have been verified. The VAT Assessment Files as produced by the Clerk was reviewed and verified with evidence of the reclaim for the period covered 1st April 2023 to 31st March 2025 in the sum of £6,655.17 being settled during the year under review. The Internal Auditor undertook sample tests to ensure that the VAT element within payments is being clearly identified and appropriately accounted for within the accounting system. For the period under review, the RFO has ensured that VAT has been appropriately identified in relation and correctly applied to the council's business and non-business activities. *Comment: the Clerk has implemented procedures to ensure that the council has complied*

with section 33 of the 1994 VAT Act which allows local authorities and other public bodies to recover VAT incurred on costs associated with: non-business activities, taxable business activities where the body is VAT registered (subject to the normal rules), and exempt business activities (where the input tax incurred in relation to exempt activities is considered to be insignificant).

A further analysis of the cashbook confirms that, during the year under review, transfers into the Village Hall account were made for the settlement of VAT reclaims made by the council in accordance with the reclaims for the charity's non-business purposes.
Comment: council is acting within the parameters of VAT Notice 749 item 6.5 which allows for VAT to be reclaimed when the parish council is acting as sole trustee of a trust provided that it acts as sole managing trustee without payment, that the activities of the trust relate closely to the functions of the parish council and the claims relates to the non-business activity of the trust.

A selection of random payments was cross checked against minutes, cash book, cheque book, bank statement and invoices and all were found to be recorded / authorised in accordance with proper practices. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.
Comment: As evidence of best practice, council might wish to implement a procedure whereby the payment schedules submitted to council (along with corresponding minutes) contain the full details of the payment to be made along with the "power to pay." The schedule could be referenced with details of the power being used to incur such expenditure and retained within the council's files for audit purposes.

As mentioned in the internal audit report for the year ending 31st March 2025, council is advised to implement a procedure whereby the payment schedules submitted to council (along with corresponding minutes) contain the full details of the payment to be made along with the "power to pay." The schedule could be referenced with details of the power being used to incur such expenditure and retained within the council's files for audit purposes.
Comment: this procedure would ensure that the council is aware that statutory powers, being granted by parliament, give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject

	to the provisions of the general law. The cashbook allows for details of payments made under s137 to be clearly referenced in the cashbook. For the year under review there was one such payment in the sum of £50.00 made under the remit of this power. *Comment: Council is aware that the use of S137 of the LGA 1972 (as amended by the Local Government and Housing Act 1989 s36) in granting donations is a capped expenditure and gives the Council the power to incur expenditure which in their opinion is in the interests of and will bring direct benefit to their area or any part of it or all or some of its inhabitants. The benefit obtained must be commensurate with the expenditure incurred and the annual expenditure must not exceed the total electorate multiplied by the annual statutory limit per elector.* The Clerk has confirmed that the council does not fulfil the eligibility criteria to adopt the General Power of Competence. The Council has no Public Works Loan and as such incurred no interest payments for the period under review.
3. Compliance with laws, regulations and proper practices. **Examination of:** • **Standing Orders and Financial Regulations** • **Compliancy** • **Annual Review** • **Adherence** **Appointment of Responsible Financial Officer**	The Standing Orders, as seen on the Parish Council's website, show a review date of 15th September 2025 and are based on the latest model published by the National Association of Local Councils (2025) with appropriate amendments to Standing Orders 14 and 18. Financial Regulations (FR), as seen on the Council's website were reviewed at the meeting of 16th June 2025 and are based on those produced in 2024. **Recommendation: council should seek to adopt the latest Model Financial Regulations as published on 13th March 2025 at its next annual review to ensure council is compliant with the latest regulations relating to Procurement.** Council has ensured that the regulations are fully tailored to the parish council by completing the areas within the curly brackets which indicate words, sentences or sections that can be removed if not applicable or amended to fit the council's circumstances. The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. Council's own Financial Regulation 1.8 confirms that the Clerk has been appointed as the RFO for this council and

	that the regulations will apply accordingly.
4. Risk Management. **Evidence of financial risk management** • **Review of risks associated with** ➢ **Financial Management** ➢ **Governance** ➢ **Building/ Assets** • **Annual Review and Minuted** • **Insurance in place** ➢ **Adequate** ➢ **Reviewed** • **Fidelity Guarantee Cover Insurance** ➢ **Adequate** ➢ **Reviewed** • **Internal Controls documented and regularly reviewed**	The Risk Management Documentation for the year under review was considered and approved by full Council at its meeting on 16th March 2026. Council is aware that its risk assessment needs to focus on the safety of the parish council's assets and in particular its money. There is evidence that overall, the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences. Council continues to ensure that it acts within the sphere of the internal controls as adopted, and is able to demonstrate that in accordance with Proper Practices and with reference to the Accounts and Audit Regulations 2015, it has in place safe and efficient arrangements to safeguard public money and that a regular review of the safety of the parish council's assets and in particular its money, as part of the methodical manner in which Council addresses the risks associated with the activities and services it provides. *Comment: council has ensured that it identifies and assesses both the financial and operational risks of the council which should be formally recorded and should include controls/mitigation and be formally reported and considered by the parish council annually.* At its meeting of 16th March 2026, full Council reviewed its current insurance cover confirming that it had the necessary legal cover and adequate asset insurance. *Comment: in accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance.* The review of the insurance documentation confirms that Council has the following core cover in place: Public Liability £10,000,000; Employer's Liability £5,000,000 and Fidelity Guarantee Cover is £250,000 which is at or above the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants. *Comment: Fidelity Guarantee cover at £250,000 is in accordance with guidance, which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May. Council has ensured that balances and cash flow are monitored to ensure that cover is appropriate as balances increase.*

	Contained within the council's financial risk assessment documentation and with reference to the adopted Financial Regulations there are specific control procedures for payments made by cheque, which, if reviewed on a regular basis, will provide reassurance that the Council has taken steps to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences. A review of the internal controls adopted provides confirmation that the specific control procedures for payments by bank transfer or other electronic means are in place and being used and that Council continues to have in place an adequate process to protect the Council against payment of invoices which may show fraudulent bank account details. Such a review continues to demonstrate that Council has taken steps to continue with the process that was in place during previous years which enables it to identify, assess and record the control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances. *Comment: Council has ensured conformity with the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 and formally reviewed the effectiveness of its system of internal control.* A scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered.
5. Budgetary controls. **Examination of:** • **Verification of process of setting of budget** • **Monitoring of budget** • **Reserves**	The budget for the year 2025 - 2026 was set at the meeting of 16th December 2024 with the minutes demonstrating that the budget be set at £54,820.00 to be funded from known reserves and the precept. The minutes confirm that the precept was to be set £45,310.00. The budget for the year 2026-2027 was submitted to and approved at the Council meeting of 17th November 2025 and set at £66,400 to be funded from the precept, known income and reserves. The level of earmarked reserves was also discussed with agreement forthcoming adjustments would be made to the Earmarked Reserves at the end of the financial year. There are regular reviews of the current year's budget versus actual expenditure including aggregate income and expenditure. Such reports provide clarity on the day-to-day functioning of the revenue budgets along with transactions to/from Earmarked Reserves allowing for an understanding of the use of the annual precept funds and existing CIL funds in the context of the Council's overall budget assessment process.

*Comment: council is aware that the monitoring of the budget throughout the year is one of the recommended key stages * as to the process to be followed during the year.*

* key stages as to the budgetary process to be followed for the year:

- decide the form and level of detail of the budget;
- review the current year budget and spending;
- determine the cost of spending plans;
- assess levels of income;
- bring together spending and income plans;
- provide for contingencies and consider the need for reserves;
- approve the budget;
- confirm the precept or rates and special levies; and
- review progress against the budget regularly throughout the year.

The Council on 31st March 2026 had overall reserves totalling £66,912.21 with Earmarked Reserves being £36,700 (to include contingency reserve of £7,000) and General Reserves standing at £30,212.21.

Comment: Council is aware of the guidance as issued by Proper Practices (Practitioners' Guide 2025) which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with the council's General Reserve Policy.

Council's adopted Reserve Policy (March 2025) clarifies the reasoning for the holding of reserves as having three main purposes: a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Reserves; a contingency to cushion the impact of unexpected events or emergencies – this also forms part of the General Reserves and a means of building up funds (Earmarked Reserves), to meet known or predicted requirements. The policy notes that even at times when extreme pressure is put on the council's finances the council must keep a minimum general balance sufficient to always hold one month's worth of contractual obligations to staff and contractors. The current level of general reserves is sufficient to achieve this minimum.

Whilst there is no upper or lower limit to EMRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) Council has ensure that they are separately identified and that they are held for genuine and

	intended purposes and their level is subject to regular review and justification.
6. Income controls. **Examination of:** • **Precept** • **Other income**	The precept for the year 2025-2026 was set at the meeting of 16th December 2024 with the minutes indicating that this would be set at the previous year £45,310.00. Council received the precept sum of £45,310 from Uttlesford District Council for the period under review in April and September 2025. The financial reports submitted to full Council at the meetings in May and October 2025 include confirmation of the receipt to the council of the above funds being received into the council's nominated bank account. The precept for the year 2026 – 2027 was confirmed at the meeting of 17th November 2025 as being approved at £48,000 with the minutes demonstrating that the impact on a Band D Council Tax would be an increase of £4.60 and 3.9% resulting in a council tax of £121.96. *Comment: council, to ensure transparency in the budgetary process followed by the council, has evidenced; by recording within the minutes, the impact the precept being set would have on a Band D dwelling.* Spot checks on further items paid into the Council's accounts were cross checked against cashbook and bank statements. All were found to be in order within the cashbook with the Clerk providing an underlying audit trail. The council's minutes show receipt of and approval of a list of receipts occurred during a specified period, which are included within the published minutes of the council's meetings. As a Burial Authority and in accordance with proper practices, council has ensured that it maintains a formal burial register which is up-to-date and accurately held. At the meeting of 16th March 2026, the Council carried out a review in its consideration of its fees and charges for the cemetery for the year effective 1st April 2026. It was agreed to increase the cemetery fees and charges by 4%. *Comment: the Clerk has ensured that council is aware that where it has self-generated income (other than the precept) it should consider situations that may lead to a loss of revenue as well as increased costs and ensure that appropriate measures are put in place to account for significant impacts to this revenue stream. Council is mindful of its own Financial Regulation 13.2 which requires all fees and charges to be reviewed on a bi-annual basis (at least).*
7. Petty cash/expenses procedure.	Council does not operate a petty cash system.

8. Payroll controls. **Examination of:** • **Management of payroll** • **PAYE/NIC system in place** • **Compliance with HMRC procedures** • **Records relating to contracts of employment**	The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a person to be responsible for the financial administration of the authority. The minutes of 19th May 2025 provide confirmation that the Locum Clerk was to be added to the council's payroll with agreed hours and rate of pay. Additional hours will be reviewed and approved where necessary. *Comment: Financial Regulation 1.5 also states that the RFO holds a statutory office, appointed by the council.* The minutes of 15th September 2025, confirm that a contract had been drawn up for the Clerk based on the NALC model and subject to amendments would be issued to the Clerk. The Clerk has confirmed that a contract of employment is in place. *Comment: council has noted the comment previously raised by the external auditor that any future employee should be provided with a contract of employment and that the council registers with the Pensions Regulator.* The council's payroll service was reviewed and has been operated properly and overseen by the council as an employer. The payroll function is currently outsourced. At year-end Council had one employee on its payroll. It is confirmed that the NJC pay award as outlined in the Local Government Services Pay Agreement 2025 has been applied to the relevant staff member at the time the pay award became effective. *Comment: There are robust payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.* The council is not a member of a pension scheme and the Clerk to the Council has confirmed that no member of staff has submitted a request to be enrolled into an employer provided pension scheme. Council is however aware of its pension responsibilities. Evidence was seen of the letter dated March 2026 stating that the third anniversary of the previous re-enrolment date is 9th July 2026. Re-declaration deadline was seen as 8 December 2026. *Comment: Council is aware that every three years an employer must put certain staff back into a pension scheme. This is known as 're-enrolment'. This is an employer's legal duty and Council's must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance.*

9. Asset control. **Examination of:** • **Asset Register** • **Checks on existence of assets** • **Recording of fixed asset valuations** • **Cross checking on insurance cover**	The Asset Register is held on a computerised spreadsheet and covers those items listed under insurance and within the parish council’s remit for maintenance and ownership. The Asset Register, as reviewed during the internal audit review is stands at £144,694.82 which shows movement during the year in terms of acquisitions to that declared at the year-end of 31st March 2025 (£143,681.79). The Asset Register details assets held by the council which have been defined as Fixed Assets and the approved itemised list will form the basis of Box 9 of the Annual Governance and Accountability Guide. The assets within the register have recorded values that are either the original purchase cost (where known), an estimated cost or historic costs. *Comment: Council has noted the requirement for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value should be recorded, which will act as a proxy value to the original cost and will remain unchanged until disposal. The method of asset valuation should be applied consistently from year to year. If council materially enhances an asset, then the recorded asset value may vary. Council has noted this requirement and has ensured that the valuation process adopted is set out and recorded in its asset register.* Council formally approved the asset register as submitted at the meeting of 16th March 2026. It is expected that the value of £144,695 (rounded) will be the figure used on the Draft Accounting Statements awaiting formal approval. All risk cover for items listed under generic headings for those located within the boundaries of Ashdon. It is acknowledged that the asset register serves to ensure that the fixed assets of the council are safeguarded and provides the assurance of the continued existence of property. Whilst it is down to the council to choose an appropriate minimum value for deciding what should be included as fixed assets and what should be included as general consumables, the commercial concepts of depreciation, or impairment adjustment or revaluation are not appropriate for the valuation of assets in local government. It is however appropriate for the council's register to contain details of the useful life of an asset and whether, given that assessment, the asset would be subject to an insurance claim and whether it is included in the council's risk assessment as having reached its useful life. The concept of “writing down” an asset in these circumstances may well apply and the asset value could be removed from the register. However, the asset should remain thereby acknowledging

	that the council still has responsibility for maintenance and ownership until the asset is eventually removed. *Comment: if this is the process to be followed by the council, then it must minute and record the movement in the asset register. The rationale and methodology of the "write-down" of the asset should be recorded in the minutes.* **Recommendation: to ensure accuracy of the asset register, it is suggested that, during the coming year, the Clerk and nominated Councillors review all assets over the coming year, recording their location (what3words), taking a photograph, and assessing their useful life estimate, all of which should be recorded on the Asset Register. The method of valuation and whether council is to apply a minimum purchase or resale value should also be recorded on an annual basis.**
10. Bank reconciliations **Examination of:** • **Bank reconciliations** • **Cashbook** • **Bank statements**	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. The Clerk has implemented a system whereby Council has taken steps to ensure that it can evidence that it is working in accordance with guidance issued within Proper Practices which state that bank reconciliations should be prepared routinely, subject to independent scrutiny and signed by members with a regular minute to record the activity undertaken. Approval of the bank reconciliation by the authority or another authority nominee is not only good practice but is also a safeguard for the Responsible Financial Officer and will fulfil one of the authority's internal control objectives *Comment: Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities. In accordance with Proper Practices, council has implemented a system whereby the monthly reconciled bank accounts are presented to Full Council.* Bank balances on 31st March 2026 stood at £66,912.21 across the accounts held in the council's name as verified from statements. *Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can ensure that the bank balances as identified are included within the AGAR, section 2, line 8 align with the carry forward figure of £66,912 (rounded) as stated in section 2, line 7.*
11. Year-end procedures. **Examination of:** • **Appropriate accounting procedures used** • **Bank Statements and Cash Book agree** • **Has the appropriate end of year AGAR documents been completed?** • **Where an authority certified itself exempt in**	Accounts are produced on a receipts and payments basis, and all found to be in order. The end of year accounts, as presented for the internal auditor review, provide confirmation that there is a clear financial trail from records to presented accounts. Year-end balances agree with cash book and bank reconciliations. Income received for the year totalled £58,572.76 with expenditure totalling £65,878.03. As Council is a smaller authority with gross income and expenditure exceeding £25,000

2025 did it met the exemption criteria and correctly declared itself exempt?	it will be unable to claim exemption from a limited assurance review. As such the council will be required to complete the Annual Governance and Accountability Return (AGAR) Form 3. The Annual Return from the Financial Accounting software package was submitted for internal audit review and it is assumed that the figures contained therein will be replicated in their entirety onto the Accounting Statements (Section 3 of the AGAR) prior to submission to the council for formal approval. The Internal Auditor has fully completed the Annual Internal Audit Report of the AGAR (Form 3) on this basis. For the year ending 31st March 2025, council could not claim exemption from a limited assurance review as it failed to meet the following criteria: • Its gross income and gross expenditure are both below £25k; and • no public interest report/statutory recommendation/advisory notice/judicial review/application to court re unlawful item of account has been issued by its external auditor in the prior year; and • the reporting year is not one of the authority's first three years of existence.
12. Compliance with the Local Government Transparency Code 2015 **Examination of:** • **Information uploaded to the council's website**	Council is advised that the Practitioners' Guide states that for councils with income or expenditure greater than £25,000 it should seek to follow best practice and comply with the Local Government Transparency Code 2015 for smaller authorities. As such it should seek to make certain data held and managed by the council available to the public unless there are specific sensitivities to doing so. To ensure compliancy with the requirements of the Code, the following data should be published on a website in accordance with the required timescales: Publish quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000. Publish annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart. *Comment: council is advised to consider maintaining and monitoring the council's website so that it is updated regularly with pertinent information and complies with the publication requirements of the [Local Transparency Code 2015.](#)*
13. Period for the Exercise of Public Rights set in accordance with the Audit & Accounts Regulations of 2015 in relation to the year 2024-2025 **Examination of:** • **Dates set for 2024-25**	The internal auditor is able to confirm that the period for the public rights exercise covered the period 19th June to 30th July with the notice being dated 18th June 2025. *Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are*

	available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act. The Internal Auditor notes that the meeting of 16th June 2025 confirmed the reasoning for the amendment to the originally set period for the public rights exercise noting that the External Auditors Report for the financial year 2023-24 had only been received post the meeting and a couple of changes were needed which resulted in the Annual Return for 2024-25 being amended accordingly. As a result of the changes the dates for the Exercise of Public Rights were so amended. The dates referred to in the first paragraph of this section are reflected in the notice seen on the council's website.
14. Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015. **Examination of:** • **Publication requirements for the year 2024-2025**	The Internal Auditor is able to confirm that the Council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000, as it has published the following for the year 2024 - 2025 on a publicly accessible website: • Section 1 – Annual Governance Statement of the AGAR - unaudited • Section 2 – Annual Accounting Statements of the AGAR – unaudited • Notice of the period for the exercise of public rights • Notice of Conclusion of audit • Section 3 – External Auditor Report and Certificate • Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review *Comment: council is aware that all documentation relating to the year ending 31st March 2026 (Section 1 – Annual Governance Statement of the AGAR – unaudited; Section 2 – Annual Accounting Statements of the AGAR – unaudited and Notice of the period for the exercise of public rights) is uploaded to the council's website prior to the commencement of the period of public rights and prior to 1st July 2026 (whichever comes first).*
15. Compliance with Assertion 10 of Section 1 of the Annual Governance Statement **Examination of:** • **Email management** • **IT Policy** • **Compliance with Web Content Accessibility Guidelines 2.2AA** • **Compliance with Data Protection Legislation** • **ICO registration** • **Compliance with publication requirements of**	Assertion 10 has now been added to clarity data compliance (previously covered under Assertion 3). To warrant a positive response, the authority needs to have taken the following actions: • Have a generic email account hosted on an authority owned domain • Meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. • Must publish documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable). • Must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

the Freedom of Information Act	• Must process personal data with care and in line with the principles of data protection. • Must have an IT policy. Council currently operates with the website https://www.ashdonparishcouncil.gov.uk/. The site supports a secure and digitally managed email system. There are dedicated gov.uk email addresses for the Clerk and Councillors. *Comment: council has introduced authority-owned email addresses for all councillors to enable a clear record of communications and maintenance of an audit trail making it easier to respond to Data Subject Access and Freedom of Information Requests.* Council adopted an IT policy at its meeting of 16th March 2026 covering the use of IT equipment for authority business for both Staff and Councillors. *Comment: council is aware that such a policy provides clarity on the use of IT equipment for authority business which explains how all involved with the authority - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This should also relate to the use of authority-owned and personal equipment.* The Council has published a website accessibility statement on the council operated website (https://www.ashdonparishcouncil.gov.uk/accessibility) detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved. The site has been tested (16th March 2026) against the Web Content Accessibility Guidelines version 2.2 AA Standard using WAVE tools against the WCAG 2.2AA standard. The statement states that all pages were tested. The statement was first prepared on 27th July 2024 and updated on 16th March 2026. The Council has taken steps to ensure compliancy with the GDPR requirements and has produced policies detailing the manner in which the parish council will protect and handle information relating to personal information, these do not appear to have been reviewed since first adoption. To ensure compliance with the data protection regulations, regular data audits should be conducted to identify the personal information held by the council, the manner in which it is held and the lawful basis in which the information is being processed and to review those policies first adopted. *Comment: to be fully compliant with the General Data Protection Regulation requirements, council should ensure that all adopted policies are reviewed on a cyclical*

	basis thereby demonstrating that its data processing activities align with the latest legislative requirements and that corrective action is being taken to mitigate any risks that might be forthcoming. It should also seek to undertake regular data audits. As a Data Controller, all local authorities are required to register with the Information Commissioner's Office (ICO) in accordance with Data Protection Legislation. The council is so registered. The Freedom of Information Act 2000 requires every public authority to have a publication scheme, approved by the ICO, and to publish information covered by this scheme. Council's scheme as reviewed adopted on 16th September 2024 was available to view on the council operated website. *Comment: whilst Council is aware that this is a requirement under the Act to publish a scheme which will set out the Council's commitment to make certain classes of information routinely available, such as policies and procedures, minutes of meetings, annual reports and financial information and that it should be annually reviewed, it should seek to review the information contained within the scheme on a more regular basis.*
16. Internal Audit: **Examination of:** • **Reporting of Previous Internal Audit Reports** • **Review of internal audit** • **Review of effectiveness of internal audit** • **Appointment of internal auditor**	The Internal Audit Report for the year ending 31st March 2025 was received and approved by full Council at a meeting of 16th June 2025. The minutes reflect the acknowledgement that considerable progress in the governance of the council had been achieved has been over the last year and the audit reflect this in a positive way. Formal consideration of the internal audit report was undertaken at the meeting of 16th September 2025, at which it was confirmed that the Council had already dealt with matters raised by the External Auditor by completing most of the actions raised previously in the last Internal Auditors report, of which there were many. The current internal audit report had raised xxx recommendations which would be considered by the parish council during the year under review and were as follows: 1. Completion of council's legal duty for re-declaration of compliance with the Pensions Regulator – due by December 2026 2. Method of asset valuation adopted should be approved by the authority and recorded in the authority's minutes and in the asset register. 3. Location of the Consolidated Stock and War Stock share certificate and consideration as to the merits of the retention of this stock. *Comment: in accordance with guidance, council has approved an action plan setting out the areas of improvement or development as identified within the narrative internal audit report. Any proposed remedial actions should be identified within the plan along with the*

	members or officers responsible for delivering improvement and the deadlines for the completion of the action. In accordance with the Accounts and Audit Regulations 2015, a review of the scope of the council's internal audit arrangements was covered within the review of the internal audit report at the meetings of June and September 2025. *Comment: council has noted the requirement under the Accounts and Audit Regulations 2015, that it must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system on internal control.* The appointment of the person to act as the parish council's independent internal auditor for the year 2025-2026 was approved at the council meeting of 16th February 2026. *Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.*
17. External Audit **Examination of:** • **Reporting of External Audit Report**	The minutes of 20th October 2025, confirm that the External Auditor was unable to complete their limited assurance review for the year ending 31st March 2025 as a result of correspondence received in relation to 2024 - 25 and prior years. Once they had finalised their review and completed any additional work arising from that correspondence, a final report would be provided with the certificate of completion detailing any qualifications and other matters. This is still awaited by the council. It is confirmed that in accordance with the Accounts and Audit Regulations 2015, the council has published the following on the website for the year 2024-25: • Notice of Conclusion of audit and rights to inspect the Annual Governance and Accountability Return (AGAR) • Section 3 – Interim External Auditor Report and Certificate (dated 24th September 2025) On 22nd May 2025, the external auditor published its Final External Auditor Report and Certificate for 2023 - 2024 in respect of Ashdon Parish Council. Their report has confirmed that the external auditor report given in Section 3 of the Annual Governance & Accountability Return (and as issued on 19th September 2024) required amending as follows: Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the

information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Items raised by the external auditor covered:

1. The AGAR was not accurately completed before submission for review. Amendments were required for prior year comparatives.
2. Section 1, Assertion 1 was incorrectly completed and should have been answered in the negative.
3. Section 1, Assertion 2 had been incorrectly completed as council was in breach of Financial Regulation 10.4.
4. Section 1, Assertion 3 was incorrectly competed as council did not have in place a model publication scheme nor did it have an email management system.

Other matters which did not affect their opinion but which they brought to the attention of the council covered:

1. Compliance with the period for the exercise of public rights Council is to note the commentary provided by the external auditor in respect of Assertion 4 of the Annual Governance Statement for 2024-2025
2. Reference to the internal audit report and areas identified for improvement
3. Dispute regarding the accuracy of minutes of meetings held on 19 February and 8 April 2024
4. Formal contract of employment for previous clerk.
5. Challenge correspondence received in relation to the 2023 -2024 AGAR.

To view the detailed comments raised within the external auditor report please visit the report on the parish council's website.

In accordance with Sections 20(2) and 25 of the Local Audit and Accountability Act 2014 Section 16 of the Accounts and Audit Regulations 2015 (SI 2015/234) the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council did comply with the publication requirements for the year ending 31st March 2024 and published the conclusion of the audit and the external audit certificate / report. The notice is dated 10th June 2025.

In accordance with Regulation 20 of the Accounts and Audit Regulations 2015, the council, at its meeting of 16th June 2025, considered the matters brought to its attention by the external auditor and confirmed the process it would be taking as corrective actions.

18. Responsibilities as a Sole Trustee	The Council is the sole trustee to Ashdon Village Hall Charity (Registration No. 802864). The Charity Commission records the registration as being effective 22nd March 1990 with the charity owning/or leasing land and property and has been established to run and maintain the Village Hall for the residents of Ashdon. The reporting to the Charity Commission is up to date with the charity commission website stating that the annual return for the year ending 31st March 2025 was submitted on 24th June 2025 on time whilst the trustees' annual report, having been received and approved by Ashdon Parish Council on 19th May 2025, was submitted to the Charity Commission on 24th June 2025 also on time. Council is kept appraised of any issues arising with the village hall, but it is noted that there is interconnection with the charity accounts and that of the parish council. The Village Hall Management Committee hold separate meetings to discuss matters covering the Trust's transactions in accordance with the trust's documents. Council continues to follow guidance which states that the value of a trust property must not be shown in its books of accounts and on the AGAR as the parish council's property.
19. Additional comments. **Examination of:** • **Annual Meeting** • **Election of Chair and Vice-Chair and signing of Declaration of Acceptance of Office** • **Register of Interests** • **Code of Conduct** • **Minutes** • **Openness of Local Government Bodies Regulations 2014**	Council held its Annual Meeting of the Parish Council on 19th May 2025 at which the Chair for the coming year were elected as the first items on the agenda, in accordance with legislation (ss 15(2) and 34(2) of the 1972 Act). The minutes demonstrate that, in accordance with legislation, on being elected to office, the Chair duly signed the declaration of acceptance of office in the presence of the clerk. Following the resignation in the position of Chair, at the meeting of 15th September 2025, in accordance with section 83(4) of the 1972 Act, Council sought to fill the position without significant delay and specifically, at the next ordinary meeting. Evidence was seen on the District Council's website for the register of Interests for all current parish councillors with a link from the Parish Council's website to that of the District Council for access to the Register of Interests. In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the loose-leaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence. *Comment: Council has noted that LGA 1972 Schedule 12, paragraph 41 allows for the minutes of the proceedings of meetings of a local authority to be recorded on loose leaves provided that they are consecutively numbered. Council has implemented such a system.*

	The Openness of Local Government Bodies Regulations 2014 were enacted on 5th August and came into force on 6th August 2014. These regulations allow for the filming and recording of Council meetings (and other specified public bodies) and provide for access to records (e.g. of decisions made by officers). *Comment: Council has reviewed the provisions of the Regulations to ensure that, by publishing a range of information online, it is compliant with the provisions of the Act*.

Victoria S Waples

Date of Internal Audit Review: 30.05.26-06.06.26 **Date of Internal Audit Report: 07.06.2026**

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