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24 April 2026

**Parish Clerk  
Headley Parish Council  
Village Hall  
Arford Road  
Headley  
Bordon  
GU35 8LJ**

Dear Rachel

**Final Internal Audit Review:  
Headley Parish Council – covering October 2025 to March 2026**

The Accounts and Audit (England) Regulations 2015 require Town and Parish Councils to conduct an independent internal audit assessing risk management, controls, and governance in line with public sector standards. We confirm our independence from the Council.

Our internal audit activities have been structured to provide an informed opinion regarding the control objectives detailed in the Annual Internal Auditor’s Report for 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).

**Background**

This is the final audit in 2025-2026 to check that the Council adheres to the requirements set out in the Accountability and Governance for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

The final review was carried out to complete and finalise the End of Year Internal Audit 2025-2026 on Friday 24 April 2026.

At this visit it was agreed to delay the sign off of the Annual Internal Audit Report as the information provided by the Responsible Finance Officer required further amendments to the end of year accounts information in the RBS Alpha software. . . . .

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The RFO is also yet to complete the documentation for final validation to be sent to the External Auditor which cannot be confirmed until this has been finalised and figures agreed with the RBS Alpha software.

We have spent time with the RFO to inform her of all the requirements necessary, and all the documentation will be completed and submitted to the Internal Auditor for validation before it is submitted to the External Auditor.

We have however continued to check details of the latest position to support the current governance and financial management of the Parish Council including good practice and compliance with the Transparency Code Regulation 2015 and the ICO Publication Scheme from the Council's website.

As we have already carried out an Interim Internal Audit review in 2025-2026 and are using the information already recorded from this review to support the completion of the internal control objectives on the (AGAR) Annual Internal Audit Report.

Where this is necessary, we will complete the AGAR Annual Internal Audit Report on evidence already seen from the previous reviews. This is acceptable practice for the External Auditor.

We further discussed with the RFO that the Parish Council submission to the External Auditor for 2025-2026 should provide evidence from their opinion raised in "other matters" on the External Audit Report and Certificate 2024-2025 by the External Auditor have been actioned including:

- ***The smaller authority has addressed the issues to have a system in place that considers income and expenditure powers when making decisions or payments.***
- ***To be in line with best practice the appointment of the internal auditor, details should be recorded in the council minutes showing that they are independence of the Council.***
- ***An engagement letter with the internal auditor has should be obtained from the Internal Auditor.***
- ***The Council has considered if the current scope of the internal auditor's work and review the work undertaken by the internal auditor on a regular basis.***

The Council is a sole managing trustee.

The Council's accounting records are maintained on RBS Alpha Software.

We have also re-reviewed the internal control framework and the recommended enhancements made in the previous internal audit report to assess if these have been actioned:

- A reconfiguration of the Office Accommodation is proposed, with all staff to be located in one office. This arrangement would enable the Parish Clerk to work in proximity with staff and supervise their work effectively. ***(Audit Note: This has not yet been implemented but will be considered in 2026-2027).***
- To upgrade to Rialtas Omega to incorporate improved budget and financial management information for the Parish Council. ***(Audit Note: The RFO has indicated this has been delayed for further consideration after 2026-2027).***
- A continuing review and to update policies for effective financial management and governance of the Parish Council. We recommended this includes finance, HR, IT, backup, social media and Health & Safety policies. ***(Audit Note: This has now been implemented).***
- A review of the ICO Publication Scheme to be conducted to ensure all documents listed as uploaded to the Parish Council website are traceable and located appropriately in accordance with the Practitioners Guide 2025. ***(Audit Note: This has now been implemented)***

- To review website documents and agree on their appropriate placement on the website is advised. **(Audit Note: This is now ongoing and reviewed on a regular basis).**
- A review of all bank accounts to be completed and agree that they remain appropriate and fit for purpose for the Parish Council. **(Audit Note: These are being reviewed in 2026-2027)**
- A bad debts policy should be implemented, with consideration given to any outstanding arrears. Decisions regarding writing off bad debts should be determined by the Parish Council or delegated to the Parish Clerk for minor amounts under £5.00. **(Audit Note: This has not yet been implemented but will be considered in light of the development of the Pavilion. We have further noted the outstanding invoice for £3020.00 to the Headley Football Club dated 26 September 2025. The Parish Council should now consider on action to take to collect the sum outstanding).**
- A proposed performance management system to be applied to ensure that the efficiency and effectiveness of all staff is reviewed on a regular basis. **(Audit Note: This has now been implemented by the Parish Clerk)**
- The consideration for the payroll function of the Parish Council should be outsourced to a dedicated payroll provider. It is our opinion that this will ensure that all payroll costs are correctly identified to give assurance that deductions are correctly calculated to be sent to HMRC and the Pension Provider. **(Audit Note: This is currently in the process of implementation. We have noted the appointment of new staff in February and March 2026 to provided additional resources for the operation of the refurbished Pavilion. We have noted that payment for extra hours to one member of staff worked in March 2026 has not been processed and paid. Payment will now be made in May 2026).**
- To recognise that the current budget arrangements for the Parish Council will negate them for the financial compensation scheme as the size of the budget exceeds the threshold for compensation to be paid. **(Audit Note: This has been noted by the Parish Council).**

We have further noted the near completion of the Pavilion Project which will official be opened on the 04 May 2026. The details of regular cost assessments continue to be recorded and we checked with the RFO to ensure the details are now recorded in the Rialtas Alpha financial software correctly, including unbudgeted work and a commentary on the review of the Pavilion budget to give an overall picture of all interim certificates and invoice payments that have been approved.

**(Audit Note: The Parish Council should also note that the External Auditor has requested detailed information as part of the Intermediate review 2025-2026 for the Pavilion Project and the Loan from PWLB which supports the refurbishment of the Pavilion).**

We discussed in more detail with the Parish Clerk the requirements of the new Assertion 10 to be added to the Annual Governance and Accountability Return 2025-2026 on IT and Data compliance.

We are pleased to report that:

- **staff and Councillors are using the correct email extension of.gov.uk.**
- **an IT Policy has been produced and approved by the Parish Council in August 2025**
- **An accessibility statement is uploaded on the Parish Council and the website requirements to comply with the rules to meet the new WCAG 2.2 AA standard for website accessibility is in place.**
- **An ICO Publication Scheme template for Parish Councils has been uploaded to the Parish Council website.**

We discussed the need to ensure regular staff and Councillor training on Data Protection and that this should be recorded in the Minutes of the Parish Council.

A data audit should become a regular routine to ensure that the principles of keeping relevant and up to date data is reviewed on a regular basis.

**All these requirements will become mandatory from the 01 April 2026.**

We have noted that the Insurance for the Parish Council is due for renewal on 1 June 2026. The RFO should ensure that this is checked and the Insurance Policy Schedule is updated with the correct information from the refurbishment and revaluation of the Pavilion to ensure that correct insurance valuation is applied as soon as possible.

As part of this final Internal Audit Review, we checked:

**Bank Reconciliations**

- the Bank Reconciliation at 31 March 2026 was re-performed and no errors were noted.

**Income and Expenditure including the End of Year VAT reimbursement.**

- all income and expenditure items as at 31 March 2026 were confirmed, and details are accurate to the records held by Council.

**Risk Assessment 2025-2026**

- The Risk Assessment was approved by the Parish Council on the 12 January 2026 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2025) is met.

**Parish Council Minutes**

- Minutes of the Council were checked for approvals and decisions made and approval of payments was checked for the period October 2025 to March 2026.

**Asset Register**

- The Asset Register at 31 March 2026 was reviewed and approved at the full Parish Council meeting on 12 January 2026. ***(Audit Note: We have discussed with the Parish Clerk and RFO the need to revisit the Asset Register totals shown as at the 31 March 2026 as the RFO has yet to record any of the purchases made for the refurbishment of the Pavilion or a consideration the restated value of the Pavilion on the asset register in 2025-2026. Once this has been completed then the details will be provided to the Internal Auditor for final checking before the completion of the Accounting Statements box 9 for 2025-2026).***

**End of Year Procedures 2025-2026**

- We have yet to check the End of Year documentation as this will need to be completed and finalised by the RFO before accuracy can be confirmed of the details to be submitted to the External Auditor. This includes the validation of any variances of totals over 15% between 2024-2025 and 2025-2026 shown on Section 2 of the AGAR as required by the External Auditor. ***(Audit Note: Once this has been completed then the details will be provided to the Internal Auditor for final checking before the submission of all documentation to the External Auditor for 2025-2026. It has been agreed with the RFO that this information will be submitted to the Internal Auditor by 22 May 2026).***

- The 2025-2026 AGAR Annual Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public

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Rights 2025 in accordance with the requirements of the Accounts and Audit Regulations 2015.

- This includes the Internal Auditor being shown evidence that the posting of the Notice on the Website was done at least one clear day before the 30-working day period begins.

Parish Council did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as the RFO failed to make proper provision during the year 2025 for the exercise of public rights, since the date of announcement and inspection dates on the notice on the website were dated 2024 instead of 2025.

**(Audit Note: As a result, the Parish Council must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025-2026. We have also discussed with the RFO the need to ensure that it makes proper provision for the exercise of public rights during 2026-2027).**

The Parish Council will also need to submit to the External Auditor for 2025-2026, Copy of prior year notice of completion (2024-25) of the external auditor's work on the annual return, and evidence of its publication (such as a web address and dates of documents being added).

This report should be circulated for the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

### **Finally**

As this is my last internal audit review for the Parish Council before handing over to a new Internal Auditor for 2026-2027, I should like to take the opportunity to thank you for your help and support in the time that I have provided the Internal Audit Service to the Parish Council.

I wish the Parish Council well for the future.

Yours sincerely,  
Tim Light FMAAT, AATQB  
Internal Auditor.