

Greg Burt

Clerk to Cocking Parish Council

3 May 2026

Dear Greg ,

Cocking Parish Council - Internal Audit 25-26

The internal audit for the 25-26 financial year is now complete. I report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with one comment:

O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance	The Parish Council website does not conform to WCAG 2.2AA Accessibility Standards.
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The Clerk also confirms that the Council will mark assertion 10 on the Annual Governance Statement as “NO”.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year.

In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of my internal audit work for 25-26. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B

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A - Appropriate books of account have been kept properly throughout the year

The Council maintains financial records on an excel spreadsheet. My testing confirmed that income and expenditure is balanced to the cashbook and reconciled to bank statements on a regular basis. Minutes confirm that the bank reconciliation / bank statements and income and expenditure report is presented regularly to Council meetings.

I was able to agree the opening balances in the cashbook back to the published accounts for 24-25, by running arithmetic checks on the cashbook for the whole financial year. In the course of my testing I confirmed there is a clear audit trail from the accounts to supporting documentation, such as invoices.

All comparatives reported in the financial statements have been agreed back to the 24-25 accounts, as published on the Council website. The 25-26 accounting statements have been agreed back to the cash book, and reserve and cash balances agreed to cashbook and bank statements. I checked arithmetic, there is a £1 rounding error in the 25-26 column. I have advised the Clerk to make an adjustment via box 6 before the AGAR is approved by Council.

The Council received £717 in July 25 in respect of the 24-25 VAT return. The Clerk confirmed that the 25-26 VAT return will be submitted to HMRC once the accounting statements have been finalised. Annual VAT returns are sufficient for a Council of this size.

B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for

Non pay expenditure per box 6 to the accounts amounted to £ 36,660, up from £20,249 in 24-25 .

Financial Regulations were reviewed at the Full Council meeting in February 2026. These follow the NALC model and are up to date. The Council makes payments to suppliers as follows:

Invoices are received by the Clerk and checked for accuracy. A payment list is prepared, and all payments due are reported to a meeting of Council, for approval for payment. Once payments have been approved, payments are written up in the cheque book and are signed by 2 councillors, from a panel of 7 signatories. It is recommended that the Council moves to making payments electronically in the next 6 months, increasing numbers of suppliers do not accept cheques, as banks close branches. The Council is currently reliant on the Clerk and some councillors making payments, then claiming the funds back from the Council. It is not ideal to mix personal and Council funds in this way.

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I tested a sample of 5 payments selected from the cashbook. For all transactions I was able to

- Agree payment to invoice,
- Confirm expenditure is appropriate for this Council
- Confirm VAT accounting correct
- Confirm invoice signed off by 2 councillors
- Payment approval confirmed to minutes
- Cheque stub initialled by 2 councillors

C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council is insured with Hiscox, on a standard local council package, The policy was in date at time of audit, with an expiry date of 11 June 2026. Asset cover appeared consistent with the asset register, assets insured set out below,

PROPERTY – BUILDINGS		
Section wording	11600 WD-HSP-UK-PAC-PYB(5)	
Insurer	Hiscox Insurance Company Limited	
Premises address	Sum Insured	
Cocking Village Hall, Bell Lane, Midhurst, GU29 0HU	£322,846	
Item description	Excess	Amount Insured
Total Buildings	£250	£322,846
Gates and fences	£250	£0
Fixed outside equipment	£250	£0
Street furniture	£250	£14,654
War memorials	£250	£14,210
Playground equipment	£250	£30,846
Sports surfaces	£250	£0
Other surfaces	£250	£0
Rent receivable	£250	£0

Money cover is sufficient at £250K. This is comfortably more than cash balances held by the Council.

All computer data is backed up to a cloud server.

The Council reviewed the risk assessment at the February 2026 Council meeting (minute 16). I reviewed the risk assessment; it is sufficient for a council of this size. No changes made in 25-26.

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D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Final Audit

Reserves at 31 March 2026 were £13,312 (24-25 £17,485).

£7,462 is held in the CIL reserve, this is monitored by the CIL report, which records all CIL received less expenditure on eligible projects. This leaves a general reserve of £5.8K. This is 30 % of precept, which is low for a Council of this size, with no other earmarked reserves. The Council should keep a close eye on the level of a general reserve; there is little contingency in place (for example village hall costs / elections / planning costs).

The precept and budget for 25-26 were approved at the Council meeting in January 2026 (minute 12 c/d) A precept of £20,219 was set, following review of the budget. A balanced budget has been set; this was reviewed by councillors as part of the precept setting process and is included in minutes. The approval of the budget followed an initial review by Council at the December meeting.

The Clerk has maintained budget monitoring processes in 25-26. I confirmed by review of minutes that the following reports have been presented to a Council meetings

- Bank reconciliation
- Bank statement
- List of all income and expenditure for the month.

E – Income

Precept per box 2 to the accounts was £19,358 (24-25 £18,392). This has been agreed to third party documentation provided by Central Government.

Income per box 3 to the accounts was £17,322 (24-25 £14,623).

I tested 2 transactions:

- 1 grant receipt amounting to £1915
- 1 payment from Village Hall Committee (£12,500) towards car park works.

These were confirmed to bank statements and to remittance notes / invoice raised.

F - Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for .

Satisfactory. My testing confirmed that the Council does not use petty cash.

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G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Staff costs per box 4 to the accounts were £4,192 (24-25 £4,059).

Payroll is processed by Chichester Payroll Services, I tested the Clerk's pay for February 2025. I agreed the cashbook entry for net pay and HMRC payments to the Clerk's payslip. I then recalculated the Clerks gross pay. Hourly salary was agreed to national pay scales recording the 25-26 pay award. Working hours were checked to the Clerk's contract.

I am satisfied the Clerk is being paid the correct rate of pay as authorised by Council.

H - Asset and investments registers were complete and accurate and properly maintained.

Final Audit

Fixed assets per box 9 to the accounts were £ 309,297 (24-25 £296,540).

The accounts balance has been agreed to the fixed asset register. The movement in the asset register balance in 25-26 is £12,757. Changes in 25-26 as follows have been posted to the asset register:

Additions

Village Hall Car Park	12500	
Jet Washer	150	
PA system	225	
New Play Area Fence	3830	
		16705

Deletions

Old Play Area Fence		3947
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Net movement in year		12758
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I am satisfied that the Council is accounting properly for fixed assets.

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I – Periodic and year-end bank account reconciliations were properly carried out.

Final Audit

Cash per box 8 to the accounts was £13,312 (24-25 £17,485)

I was able to confirm that the bank account is reconciled to the cashbook each month, via the cashbook spreadsheet. Minutes confirm that the bank statement and bank reconciliation are at each Council meeting.

I reperformed the year end bank reconciliation. I was able to agree the balance on the bank reconciliation back to bank statements and the cashbook balance recorded on the excel spreadsheet. The year end bank reconciliation was recalculated and links within the cashbook were tested, no error was found. The year end bank reconciliation had not been signed off at the time of my audit; this is due at the next council meeting.

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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

The Council has compiled accounts on the receipts and payments basis. This is correct for a council of this size (turnover below £200K). The Council will need an external audit for 25-26 as the £25K income and expenditure threshold has been breached.

K: If the authority certified itself as exempt from a limited assurance review in 24-25, it met the exemption criteria and correctly declared itself exempt.

Not applicable, Council does not exempt in 24-25

L: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

The requirements of the Transparency Code 2015 do not specifically apply to this council, as income and expenditure are above £25k and below £200K, thresholds at which transparency obligations are in place. I confirmed that the Council is compliant with AGAR publication requirements, AGAR reports published for past 5 years. Minutes and agendas are published and kept up to date, together with financial data, such as budgets and internal audit reports. I am satisfied that the Council met the requirements of this control objective.

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M - Arrangements for Inspection of Accounts

Inspection periods for 24-25 AGAR were set as follows

Inspection - Key date	24-25 Actual
Accounts approved at Full Council	12 May
Date Inspection Notice Issued	2 June
Inspection period begins	3 June
Inspection period ends	14 July
Correct length	Yes – 30 days

The Council met the requirements of this control objective.

N: Publication requirements 24-25 AGAR

The Statement of Accounts, Annual Governance Statement and the audit certificate for 24-25 are published on the transparency page of the Council website. There is a conclusion of audit certificate, this was published 20 August, after the audit certificate (15 July) and before the statutory deadline (3 August). The audit certificate was clear, with a minor matter regarding the AGAR form reported in the other matters section of the audit certificate.

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

The Council has not fully completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. Whilst the Council is generally compliant, I recommend that the Council marks Assertion 10 as NO.

This is because the Council has not yet confirmed that the Parish Council website conforms to WCAG 2.2AA Accessibility Standards, and a compliant ICT Policy was not in place on 31 March.

I will also mark this control objective as NO and recommend that further work is carried out to ensure that the Council is compliant with paragraphs 1.47 to 1.54 on page 14 of the Practitioners' Guide before the end of the 26-27 financial year.

O - Trust funds (including charitable) The council met its responsibilities as a trustee.

Satisfactory –The Council has confirmed to me that the Council is not sole trustee of a charity.

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April Skies

Accounting

I would like to thank you for your assistance with the audit. I attach the internal audit report from the AGAR and my invoice, for your consideration. In the meantime, do not hesitate to contact me if you have any questions at all. I look forward to working with you in 26-27 .

Yours sincerely



Mike Platten CPFA

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Appendix A – Recommendations

Points Forward – Action Plan

Matter Arising	Recommendation	Council Response
Payment by cheque	It is recommended that the Council moves to making payments electronically in the next 6 months, increasing numbers of suppliers do not accept cheques, as banks close branches. The Council is currently reliant on the Clerk and some councillors making payments, then claiming the funds back from the Council. It is not ideal to mix personal and Council funds in this way.	
There was general reserve of £5.8K at year end. This is 30 % of precept, which is fairly low for a Council of this size, with no other earmarked reserves.	The Council should keep a close eye on the level of a general reserve; there is little contingency in place (for example village hall costs / elections / planning costs).	
The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	The Council must ensure it is compliant with paragraphs 1.47 to 1.54 on page 14 of the Practitioners' Guide before the end of the 26-27 financial year.	

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Appendix B

Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
F	Petty Cash	No petty cash at this council
K	Exemption from external audit 24-25	External audit completed in 24-25
P	Trust Funds	No trusts at this council

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