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05 June 2026

The Town Clerk

**Eastleigh Town Council
Cable Works**

First Floor

14 Annealing Close

Eastleigh

SO50 9PX

Dear Ruth

Eastleigh Town Council – Internal Audit Review 2025-2026

October 2025 -March 2026

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2025-2026 Accountability and Governance Annual Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- 'Accountability and Governance for Smaller Authorities – A Practitioners' Guide (England)' 2025
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the final internal audit review for 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.

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This final review was arranged to complete and finalise the End of Year Internal Audit 2025-2026 on Friday 05 June 2026.

The Town Clerk has provided further evidence of the financial transactions, end of year information by access to Scribe software plus further details of the continuing projects and asset transfers to the Town Council. These details support the current governance and financial management position of the Town Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 and ICO Publication Scheme from the Council's website.

We have 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 necessary, we will complete the Annual Governance and Accountability Return (AGAR) Annual Internal Audit Report on evidence already seen from this review. This is acceptable practice for the External Auditor.

The continuing growth and expansion of the Town Council has led to a further increase in the staff structure including an assistant clerk, business support officer, Youth engagement officer and assets and community support officers.

Further increases in staffing are planned in 2026-2027 as further capacity is needed to manage and maintain new asset transfers from Eastleigh Borough Council and the recent inclusion of Boyatt Wood in the Town Council from the 1 April 2026.

The Town Clerk has a wealth of knowledge and experience in assessing the needs of the Town Council to ensure it has the capacity to deliver services with adequate resourcing and budget requirements, and we feel confident that the overview of the expansion and growth is being managed well.

We have noted recent asset transfers for Energy Youth Centre and three Community Centres has required the Town Clerk to invoke the full conditions of the lease that were in place as some of the terms and conditions had lapsed before the transfer from Eastleigh Borough Council had taken place.

Further dialogue with the Borough Council includes the remaining transfers of the phased assets to an agreed timescale and negotiate agreement for maintenance and repairs that all asset transfers are fit for purpose on the date of transfer.

As the Town Council continues to grow its full potential and utilisation of Cableworks is now noted. The Town Council offer a range of opportunities to hirers for the use of the ground floor space including a preschool term time Monday to Friday, and the permanent office accommodation for the Town Council is now located on the first floor of the building.

We continue to report that financial health of Town Council is monitored on a regular basis by the Town Clerk who has considered both its current reserves, special expenses and cash holding position whilst preparing the budget for 2026-2027.

We have discussed with the Town Clerk the important of having appropriate reserves whilst the Town Council continues to grow and remind the Town Council of the importance of regular reviews to determine the budget sums remain sound. The Town Clerk is proactive to find future funding through Grants opportunities but is realistic that there may be a need to increase the Precept.

As part of the end of year internal audit, we have tested the new requirements introduced into the Practitioners Guide 2025 and applied for IT and Data Compliance.

We are pleased to report that Assertion 10 of the Governance Statement 2025-2026 is met as:

- ***Staff and Councillors are using the correct email extension of.gov.uk.***
- ***An IT Policy has been produced and is displayed on the Parish Council website.***
- ***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 are also pleased to report the Town Clerk will be introducing Councillors walk through test in 2026-2027 to enhance the controls over the payment process and Councillor scrutiny role.

We continue to report the Town Clerk remains proactive in her approach to ensure good governance and that the internal controls systems at the Town Council remain sound.

- The Council maintains its books and records on Scribe software.
- The Council is aware of the requirements of GDPR.
- The Council is registered with the ICO.
- Details of total payments authorised at meetings are recorded in the Minutes.
- All records were up to date and easy to follow.
- Sales invoices are raised and were traced to the financial ledger.
- Purchase invoices are raised and were traced to the financial ledger.
- The budgeting process is detailed and monitored.
- Bank reconciliations are carried out and were accurate.
- The Town Council takes an active scrutiny role.
- VAT claims are appropriate and made regularly.
- Payroll information is calculated correctly, showing appropriate deductions for PAYE, National Insurance and Pension Contributions
- Income and Expenditure items were traced and are recorded correctly in the financial ledger.
- Minutes are signed by the Chairman as evidence of decisions taken by the Council.

We have carried out both substantive and compliance testing to support the completion of the internal control objectives on the (AGAR) Annual Internal Audit Report.

At this end of year review, we have also 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.

Town Council Minutes

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

Risk Assessment

- We note that the risk assessment for 2025-2026 has been approved at the full Town Council meeting in the February 2026. We are satisfied that the Council can tick “Yes” to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2025-2026 to comply with the requirements for the External Auditor. We will tick “Yes” to Control Objective C on the Annual Internal Audit Report 2024-2025

Asset Register

- The Asset Register at 31 March 2026 was reviewed and additions and disposals for 2025-2026 were agreed.

End of Year Procedures 2025-2026

- A full check was carried out on the End of Year documentation provided by the Town Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included 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.
- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.
- 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 Rights 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. ***(Audit Note; We are pleased to report that the Town Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulation 2015).***
- The Town Council has been selected as an intermediate review and will also need to submit to the External Auditor for 2025-2026, a 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.

Audit Opinion

The various records and procedures now in place for the Town Council provide an appropriate standard of control.

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

Yours sincerely,
Tim Light FMAAT, AATQB,
Internal Auditor.