

Internal Audit Report

To Bartestree and Lugwardine Parish Council

I have completed the work required for the year ending 31st March 2026 having received all the documents requested and/or explanations provided by the Clerk/RFO.

I draw your attention to the following: -

Budget Monitoring

I have noted that my recommendation to prepare regular Bank Reconciliations has been adopted and they are now produced monthly. However, the Budget Monitoring Report does not include interest on the Reserve Bank Account, although it is shown separately in the Bank Reconciliation. Hence, the total income shown in Section 2 of the AGAR is not derived from the Budget Monitoring Report. In order to present the full picture to Councillors the interest should be shown in the Budget Monitoring Report which does have a line for Bank interest but is stated as zero.

To save confusion I recommend that in the Income Section favourable variances should not be shown as a negative in red but a positive in black whereas adverse variances should be shown as a negative in red.



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12th June 2026