Datchet Parish Council

Internal Audit Report 2025-26 (Interim)

Prepared by Susan Cook

For and on behalf of
Auditing Solutions Ltd

Background and Scope

All town and parish councils are required by statute to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report details the work undertaken for our initial review of the 2025-26 financial year, which took place on 3rd December 2025 together with our preparatory work. We wish to thank the Clerk and Finance Assistant for providing all the records to facilitate completion of our work.

Internal Audit Approach

In commencing our review for the year, we have had regard to the materiality of transactions and their susceptibility to potential miss-recording or misrepresentation in the year-end Statement of Accounts/AGAR. Our programme of work has been designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Annual Internal Audit Report' which is part of the Council's AGAR and requires that we give independent assurance over eleven internal control objectives.

Overall Conclusion

We are pleased to conclude that, in the areas examined to date, the Council continues to have effective control systems to help ensure that transactions will be recorded accurately in the financial ledger and subsequently in the detailed Statement of Accounts and AGAR.

In the sections below, we explain the objectives of each area of our audit, summarising the work we have undertaken. We have made one recommendation aimed at further strengthening controls, which is also detailed in the summary sheet at the end of our report.

We wish to thank the officers for their assistance during our audit review and request that this report is presented to Members.

Detailed report

Accounting Records and Bank Reconciliations

The Council uses the Rialtas Omega software to maintain its accounts, with separate cashbooks for five bank accounts including the Current, Reserve, Renewals and Neighbourhood Plan bank accounts operated at Unity Trust Bank, and a CCLA Deposit Fund.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have, consequently:

- Agreed the opening balances in the 2025-26 Ledger to the closing Financial Statements / certified Annual Return for 2024-25;
- Verified that an appropriate cost centre and nominal ledger structure remains in place;
- Confirmed that the Ledger was in balance at the time of our review by running a data check on the system to confirm the trial balance agreed to the nominal ledger;
- Viewed the External Auditor's report on the 2024-25 accounts noting they raised no issues;
- Noted that the cash books are reconciled monthly and that bank reconciliations are being signed by the Clerk and the Lead Member for Finance and Administration; and
- As a sample checked and agreed the cashbook transactions for July 2025 and October 2025 to the relevant bank statements. We also agreed the reconciliation of the cash book to the bank statements as at 31st July 2025, and 31st October 2025, noting there were no longstanding unpresented cheques or other adjustments.

Conclusions

We are pleased to note that there are no matters arising from this area of our review, we will continue our review of this area at our next visit.

Review of Corporate Governance

Our objective here is to ensure that the Council has a robust series of corporate governance documentation in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. Consequently:

- We note that Standing Orders and Financial Regulations were approved and adopted at the Council's Annual Statutory Meeting in May 2025. Further that the Council continues to up-date and review other key governance documents and policies;
- From our review of the Council's website, we note that detailed financial information is published including information on budgets and payments, which is good practice, and that detail of monthly payments have been posted on the website up to November 2025;
- We note the Council confirmed at its meeting in May 2025, that it currently does not hold the General Power of Competence; and
- We have commenced our examination of the minutes of Full Council meetings along with the Committee meetings (as posted on the website) to ensure that there are no matters arising which may have an adverse effect on the Council's financial position in both the short and longer term: no such issues were identified.

Conclusions

This year we are required to ensure that the Council has complied with all digital and data compliance requirements as set out in the 2025 revised Box 10 of the AGAR Section 1 Governance Statement. We are pleased to note that the Clerk and the Finance Assistant are currently working to ensure the Council is compliant. From the information we have tested to date the council would appear to be complying in most areas, however we note that from the website that it was last tested for compliance against the Web Content Accessibility Guidelines and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 in 2020. As the Council should now be compliant with Web Content Accessibility Guidelines version 2.2 AA, the website should be retested, in order for the Council to ensure it complies with the guidance outlines in the Practitioners Guide (JPAG). We will continue our review of this are at our next visit.

Review of Expenditure

Our aim here is to ensure that:

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;

- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct ledger expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

To gain assurance in this area we have tested a sample of all those supplier payments individually in excess of £1,100 together with a more random selection of every 25th cashbook transaction, irrespective of value, entered in the Omega cashbooks during the 2025-26 financial year to the end of October 2025 to ensure compliance with the above criteria. Our sample comprised 59 cash book payments, totaling £146,593 representing 73% of non-pay expenditure in the year to date.

The Council has a debit card for making small payments, we checked the supporting documentation to the monthly statement for the period April 2025 to October 2025.

We confirmed that VAT due to be reclaimed at 31st March 2025 had been received into the accounts. We have reviewed the quarterly VAT returns for the financial year to 30th September 2025, cross checking them to the VAT control account in the nominal ledger and agreeing receipt of the claims into the accounts from HMRC.

Conclusions and recommendations

As mentioned above all Lloyds bank multipay charges to October 2025 were checked to the monthly statements, however we noted that receipts for some items charged by Land Registry were missing from the supporting documentation.

R1. Receipts should be obtained for all expenditure.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the likelihood of them occurring. We have:

- Noted that the Council adopted its risk assessment at the meeting in April 2025, we will review the risk assessment noting that the probability and severity of each risk is recorded at our next visit;
- Reviewed the current year’s insurance policy from Zurich running to 31/5/2025, cover includes:
    - Buildings insurance – this has recently been updated to reflect current values

- Business interruption cover, loss of income up to £45,000
    - Public liability £12m
    - Hirer's liability £2m
    - Employer's liability £10m
    - Motor vehicle cover
    - Fidelity guarantee cover of £500k, which we consider suitable for the Councils' purposes;
- We will confirm the Council's arrangements for completing safety inspections of play areas, at our next visit.

Conclusions

We are pleased to note that to date there are no matters arising from this area of our review and we will complete this area of the review at our next visit.

Review of Income

In considering the Council's income streams, we aim to ensure that robust systems are in place to ensure the identification of all income due to the Council, to ensure that income is invoiced in a timely manner and that effective procedures are in place to pursue recovery of any outstanding monies due to the Council. In addition to the precept the Council derives income from rents, lettings of sports pitches, burial fees and small amounts of interest and various grants and donations. At this interim review we have:

- Agreed the precept receipted into the accounts to the remittance advices issued by the Unitary Council;
- Reviewed the burial register testing all six interments recorded in the year to 31st October 2025 to confirm a certificate authorising burial was held and that the amount invoiced for the interment agreed to the scale of charges and was recorded correctly in the Ledger;
- Tested rental income on 24a The Green to the letting agent's remittance advices;
- Tested rental income on 24 The Green to the letting agent's remittance advices, noting a small underpayment by the agent, in October 2025;
- Reviewed the unpaid invoices list; and
- As previously noted in this report we have agreed two month's income from the bank statements to cash book one and agreed the recovery of VAT in the year to 30th September 2025.

Conclusions

We note that one invoice remains unpaid from July 2025, and two from August 2025 both ae companies that have previously made late payments to the Council, we will check

at our next visit to ensure payments due from these customers have been made on a more timely basis.

Petty Cash

The Council does not operate any petty cash accounts.

Salaries and Wages

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HM Revenue and Customs (HMRC) legislation including the deduction and payment over of income tax and NI contributions. Further we review pension contributions.

Payroll is prepared each month by the Finance Officer using the HMRC payroll tools system. Payments are approved in the same way that trade payments are authorised as described above in the section headed Review of Expenditure.

We have examined the payroll procedures in place and the payments made to staff in October 2025. We have:

- Agreed the gross pay as recorded on October 2025 pay slips to contracts of employment;
- Reviewed the pay slips for October 2025 to ensure tax and NI is being correctly calculated and deducted;
- Checked the amounts paid over to HMRC as recorded in the Ledger are correct;
- We confirm regular payments are made to Berkshire Pension Fund in respect of pension and checked the calculation of the amounts; and
- Commenced our monthly trend analysis of payroll costs.

Conclusions

We are pleased to note that there are no matters arising from this area of our review.

Rec. No.	Recommendation	Response
Review of Expenditure		
R1	Receipts should be obtained for all expenditure.	