

Datchet Parish Council

Internal Audit Report 2025-26 (Final)

Prepared by Susan Cook

***For and on behalf of
Auditing Solutions Ltd***

This report has been prepared for the sole use of Datchet Parish Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely on, for any reason whatsoever, this report, its content or conclusions.

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 review of the 2025-26 financial year, which took place on 3rd December 2025 and 23rd April 2026 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 duly signed off the Internal Audit Report in the Council's AGAR assigning positive assurance against the control objectives.

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

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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, October 2025 and March 2026 to the relevant bank statements. We also agreed the reconciliation of the cash book to the bank statements as at 31st July 2025, 31st October 2025 and 31st March 2026, noting there were no longstanding unrepresented cheques or other adjustments.

Conclusions

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

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 February 2026;
- We note the Council confirmed at its meeting in March 2026, that it meets the eligibility criteria set out in the Localism Act 2011 and the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, that the Clerk is suitably qualified and at least two thirds of councillors were elected and therefore resolved to adopt the General Power of Competence;
- We have completed 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; and
- We have completed our review of the 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 apart from a few minor items, such as the re-adoption of some of the Data Protection Act policies the Council would appear to be complying.

Conclusions

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

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 March 2026 to ensure compliance with the above criteria. Our sample comprised 84 cash book payments, totaling £155,769 representing 62% 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 February 2026.

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 31st March 2026, cross checking them to the VAT control account in the nominal ledger and agreeing receipt of the claims into the accounts from HMRC.

Conclusions

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

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 have reviewed the document noting that the probability and severity of each risk is recorded;
- 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;
- Confirmed the Council's arrangements for completing safety inspections of play areas, with external reports provided on a quarterly basis, noting the latest report

included two high risk items, which we have been advised have been taken out of use.

Conclusions

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

Precept Determination and Budgetary Control

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the annual precept; that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans.

We note that Members regularly consider the budget during the year and are provided with financial information including budget reports and details of income and payments.

On the recommendation of the Finance Committee, Full Council agreed the 2026/27 budget and precept at its meeting held on 12th January 2026, with the precept set at a value of £361,821.

We have reviewed the year-end outrun statement, noting some small variances, but nothing warranting further comment or recommendation.

At the year end, 31st March 2026, balances totalled £225,719 (£224,839 at 31st March 2025) including earmarked reserves of £164,287 (£163,809 in prior year) and a general reserve of £61,432 (£61,030 at 31st March 2024). The general reserve is currently under 2 months revenue spend at 2025-26 levels, which is below the normal range of three to six months for a parish council. We have been advised that funds of £38k have been transferred from the General Reserve into the EMR Emergency reserves fund to provide a balance of approximately £100k, which equates to 3 months revenue spend at the 2025-26 levels and is within the normal range of three to six months revenue spend.

Conclusions

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

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 31st March 2026.

Conclusions

We note that one invoice remains unpaid from August 2025 which we understand is disputed by the debtor.

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.

Asset Register

Councils are required, in accordance with the Governance and Accountability manual – “The Practitioner’s Guide” to maintain a detailed asset register and to report the value of assets held in Section 2 of the AGAR.

We have reviewed the Council’s asset register and agreed it to Box 9, Section 2, of the AGAR noting that the total value quoted is based on the purchase cost of assets as required by the Regulations. We note the asset register records when the asset was purchased. We have reviewed additions to the asset register during the year sample testing to the expenditure incurred by the Council to ensure consistency and also note the disposals in year.

Conclusions

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

Investment and Loans

Our objectives here are to ensure that the Council is investing “surplus funds”, be they held temporarily or on a longer term basis, in appropriate banking and investment institutions;

that an appropriate investment policy is in place; that the Council is obtaining the best rate of return on any such investments made; that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

The Council re-adopted its' Investment Policy in July 2024.

The Council has no outstanding loans repayable to PWLB.

Conclusion

Funds held with Unity total some £166k which exceeds the FSCS limit of £120k, the council should review these figures and consider investing funds with the CCLA in line with the Investment Policy.

Statement of Accounts and AGAR

The Accounts and Audit Regulations require all Councils to prepare summary accounts which are reported in the AGAR.

We have examined the detailed accounting records and the AGAR test checking them to the detailed accounting system (Rialtas Ledger). Specifically, we agreed the Rialtas trial balance at the year end to the accounts and ensured income and expenditure was consistent. As previously noted, we checked the accounts to the fixed asset register.

Conclusions

There are no additional matters arising that require formal comment or recommendation. We ask that we be provided with a copy of the final adopted and signed AGAR Sections 1 & 2.

On the basis of the work undertaken during the course of our review for the year, we have completed and signed the year's IA Certificate assigning positive assurances in all areas.

We also take this opportunity to remind the Clerk of the requirements of the guidance notes in the preface to the year's AGAR in relation to the documentation that should be displayed on the Council's website, together with the need to ensure compliance with the timing requirements for publication of the Notice of Public Rights to examine the Council's documentation for the financial year.