

## **Old Windsor Parish Council**

*Internal Audit Report 2025-26 (Final)*

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*Susan Cook*

*For and on behalf of  
Auditing Solutions Ltd*

## **Background**

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2025-26 financial year, during our visits to the Council, which took place on 26<sup>th</sup> November 2025 and 28<sup>th</sup> April 2026, along with the preparatory work undertaken at our offices.

## **Internal Audit Approach**

In completing our review for 2025-26 and in accordance with the requirements of the IA Certificate in the AGAR and the latest 2025-26 edition of the Governance and Accountability Manual, we have again paid due regard to the materiality of transactions and their susceptibility to potential misrepresentation in the Accounts / AGAR, together with examining the overall governance framework. Our aim is to ensure that the Council continues to operate robust control systems and that transactions are, as far as we are able to ascertain, processed in accordance with national and locally approved legislation and controls.

## **Overall Conclusion**

We are pleased to record that the Council continues to maintain adequate and effective internal control arrangements with only one issue identified to date this year, detail of which is set out in the body of the report with resultant recommendations summarised in the appended Action Plan. We are also again pleased to acknowledge the quality of records maintained by the Clerk with the assistance of the Lead Member for Finance (LMF).

We have duly completed and signed off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area.

We take this opportunity to remind the Clerk and Council 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.

We ask that this report is presented to members and their comments reported to us.

# Detailed Report

## Maintenance of Accounting Records & Bank Reconciliations

The Council uses the Omega software to process the Council's financial transactions operating two bank accounts with the Unity Bank (Current and Deposit) and the Investment with CCLA.

Our objectives in this area are to ensure that the accounting records are being maintained accurately and in a timely manner with detail reconciled routinely to the bank accounts in use. We have consequently -

- Verified that the closing balances, as reported in the 2024-25 Statement of Accounts and certified AGAR, have been "rolled-forward" correctly as opening balances for 2025-26;
- Ensured that the financial ledger remains in balance;
- Examined the coding schedule, which we consider remains appropriate for the Council's requirements;
- Verified transactions on the current account for July 2025, October 2025 and March 2026;
- Verified transactions on the Reserve account for July 2025, October 2025 and March 2026;
- Verified transactions on the CCLA account to 31<sup>st</sup> March 2026;
- Verified detail of the month-end bank reconciliations on the current account as of 31<sup>st</sup> July 2025, 31<sup>st</sup> October 2025 and 31<sup>st</sup> March 2026; and
- Reviewed the procedures in place for preparing and authorising journals, together with the controls in place over the review of bank reconciliations;

### Conclusions

*On reviewing the year end debtors and creditors, we noted that a receipt had been incorrectly coded to the debtors account instead of the income code. As the accounts for 2025-26 had been closed at the time of our review, the amending transfer will need to be made in the new financial year. Whilst this has understated the income for the year, the value of the understatement is negligible when taken into consideration against the full year income.*

## Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we may reasonably be expected to ascertain, as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation. We also aim to ensure that appropriate policies, procedures and protocols are in place to prevent and provide a reasonable assurance of the detection of any fraudulent or corrupt activity.

We note that the Standing Orders (Stos), updated to the latest NALC Model document, were reviewed and formally adopted by the Council at the June 2025 meeting and that the Financial Regulations (FRs) were re-adopted at the July 2025 meeting of the Council.

We have reviewed the Council's minutes for the financial year checking to ensure that there are no significant issues arising that might give rise to ultra vires expenditure or other forms of potentially unlawful activity, also that the Council is continuing to manage its resources effectively and are pleased to record that no indications exist of potential problems with the Council's ongoing financial viability. We note that the council adopted the General Power of Competence in January 2024.

We also note that the external auditors have "signed off" the 2024-25 Annual Governance and Accountability Return (AGAR) Certificate with no issues noted.

### ***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, From the information we have seen to date the council would appear to be complying, with only a few minor issues outstanding.***

## **Review of Expenditure**

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- All payments are subject to approval by the relevant lead member in accordance with the Council's approved procedures;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of 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 expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have reviewed the Council's approach to the approval and authorisation of the release of moneys to traders and staff and consider that they remain sound. We have selected a sample of 66 payments processed in the year to date to check for compliance with the above criteria. Our test sample includes all those payments individually in excess of £1,000, plus every 25<sup>th</sup> as recorded in the cashbook and totals £131,462 and equates to 63% by value of non-pay related expenditure in the year to date.

We have also reviewed and verified the accuracy of the 2025-26 quarterly VAT reclaims submitted to HMRC during the year, with no issues.

### ***Conclusions***

***We are pleased to record that no issues arise in 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 to minimise the opportunity for their coming to fruition.

We have reviewed the risk register, noting it was reviewed and re-adopted at the September 2025 meeting of the Council.

We have examined the current year's insurance schedule with cover again provided by Zurich noting that Employer's and Public Liability cover are in place at £10 million and £12 million respectively, and Fidelity Guarantee cover at £500,000, which we consider suitable for the Councils' purposes.

We have reviewed the latest reports completed by RoSPA for the play areas and MUGA noting 3 high risk items have been advised but no remedial action provided in the report.

### *Conclusions and recommendations*

***The recent play area report has highlighted three items of equipment in the skate park as high risk. There is apparently no available remedial works to reduce the risk but neither is there a recommendation to remove the equipment, which would be expected if there was a high risk of injury, therefore there appears to be some query concerning the level of risk.***

*R1. The Council should as a matter of urgency discuss the high-risk items identified with the play area report provider to establish why these items have been deemed as high risk and to establish with the report provider whether the items should be removed.*

## Budgetary Control and Reserves

We aim in this review area 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 are pleased to note that, following due deliberation, the Council formally adopted the 2026-27 budget and precept at the January 2026 meeting, setting the latter at £178,308.

We are pleased to note that members continue to receive quarterly budget monitoring reports through the year presented by the LMF. We have examined and have examined the year-end outturn noting some small variances but have no concerns warranting further enquiry.

We have again considered the level of retained reserves at the financial year-end noting that they have reduced marginally to £310,673 (£317,574 at 31st March 2025), with EMRs now standing at £142,733 (£135,157 at prior year-end). The residual General Reserve balance of

£167,940 (£182,417 as at 31st March 2025) equates to approximately 8 months expenditure at the 2025-26 level and is considered appropriate for the Council's ongoing revenue spending requirements.

### ***Conclusions***

*We are pleased to record that no issues arise in this area of our review.*

## **Review of Income**

The Council continues to receive income from a relatively small number of sources in addition to the precept including cemetery activities, sports and rifle club rentals, bank interest, allotment rents, sundry grants and donations and recovered VAT.

We have reviewed the procedures in place relating to the identification and recovery of fees in relation to interments at this interim visit selecting a sample of 7 interments occurring to 31<sup>st</sup> October 2025 ensuring that all appropriate legally required documentation was held (i.e., Burial and / or cremation certificates) and that appropriate fees have been charged and recovered.

We note that the Council continues to operate the Rialtas allotment software to manage the allocation of plots and recovery of rents: we examined the related data output ensuring that the appropriate rents were invoiced and recovered in the current financial year with none remaining unpaid. We also note that all tenants have now paid a refundable deposit detail of which is appropriately recorded in the Omega accounts as a liability.

We have also examined the detailed income transaction reports for the financial year to date to ensure that, as far as we can reasonably establish, income due has been received and banked appropriately.

### ***Conclusions***

*We are pleased to record that no issues have arisen in this area warranting formal comment or recommendation.*

## **Petty Cash Account & Use of Debit / Credit Cards**

The Council does not operate a petty cash account as such: however, a Unity Trust Bank Debit Mastercard is in place with a £500 limit, which is used to meet any ad hoc purchases and achieve savings by purchasing through the internet where appropriate: the account is settled monthly as and when any expenditure occurs. We have reviewed all statements for the year to 31<sup>st</sup> October 2025 with no issues arising.

## **Review of Staff Salaries**

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the

requirements of HMRC legislation relating to the deduction and payment over of income tax and NI contributions.

Payroll is outsourced by the Council to Paragon Accounting Services.

We note that the Clerk, and two Village Wardens' salaries are paid in accordance with national NJC scales applying since 1<sup>st</sup> April 2025. The Community Social Worker is paid on an alternative basis. All salaries are approved by the Council.

Consequently, we have: -

- Ensured that the gross salaries paid in October 2025 to the Clerk, Community Social Worker and two Village Wardens were paid at the approved rates and, where applicable, approved working hours by reference to payslips;
- Checked and agreed detail of the computations of tax and national insurance deductions for the same month;
- Verified the resultant net salary payments made to the staff; and
- Ensured the appropriate payment of tax and NI contributions to HMRC for the year to date.

### **Conclusion**

*We are pleased to record that no issues have been identified in this area of our review process.*

## **Asset Registers / Inventories**

The "Governance and Accountability Manual – The Practitioner's Guide", requires all councils to maintain a detailed register of their assets. We aim in examining this aspect of the Council's documentation to ensure that the Council has complied with that legislation; that an appropriate and comprehensive register is being maintained and that it is subject to periodic review and update.

We confirm the value of the asset register to Section 2 box 9 of the AGAR as £1,725,336.

### **Conclusions**

*We are pleased to record that no issues have been identified in this area of our review process.*

## **Investments and Loans**

The Council has an account with CCLA, with a balance at 31st March 2025 of £220,000, with the monthly interest being paid into Unity Bank. The council has an Investment Policy, last adopted in 2024-25.

The Council currently has one outstanding PWLB loans repaid at half-yearly intervals. We have, as part of our above payment review / testing, verified details of the half-yearly loan repayments for the year to 31st March 2025 and have confirmed by reference to the PWLB third-party demands and the UK Debt Agency year-end residual loan schedule, the outstanding loan liability to be reported in the AGAR at Section 2, Box 9.

### ***Conclusions***

***We are pleased to record that no issues have been identified in this area of our review.***

## **Statement of Accounts and AGAR**

The Clerk and LMF have, with assistance from external contractors (DCK Accounting), prepared the necessary Annual Accounts and statutory AGAR detail from the Omega accounting system: we have checked and agreed the detail therein to the underlying data in the software and other supporting documentation.

### ***Conclusions***

***We have duly signed-off the IA Certificate in the year's AGAR assigning positive assurances in each relevant area.***

***As in the preface to this report, we take this opportunity to remind the Clerk and Council of the need to ensure compliance with the website disclosure requirements as set out in the preface to the 2025-26 AGAR, also observing the timing requirements for posting the AGAR and Notice of Public Rights for 2025-26.***

***Rec. Recommendations***  
***No.***

***Response***

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## **Assessment and Management of Risk**

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R1 The Council should as a matter of urgency discuss the high-risk items identified with the play area report provider to establish why these items have been deemed as high risk and to establish with the report provider whether the items should be removed.

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