



AUDITING SOLUTIONS LTD

Right reports all over and further details to arrange to be independent financial audit
examination of their accounting records and records of assets, control and for the
auditors to be reported each year in the Annual Governance and Accountability Report
(AGAR)

The report states the work undertaken in relation to our final review for 2025-26. Due to the
length of the AGAR we have undertaken this review separately and we thank you for sending
us copies of your accounts for us to have an opinion on. The work for this report is due
to the end of our work for your final report when it was finally submitted.

Tidworth Town Council

Internal Audit Report 2025-26 (Final)

Chris Hall

Consultant Auditor

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

Other than minor observations detailed to improve the level of internal control which are
noted throughout this report, we have not identified any material weaknesses or control
deficiencies.

This is the last review this auditor will undertake for Tidworth Town Council, due to
retirement. It is also being issued later. We would like to thank the Town Clerk and the
staff for their kindness and helpfulness during our time and wish them and the Council well
for the future. It has been a pleasure to be of service.

Background

Statute requires all town and parish councils to arrange for an independent internal audit 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 our final review for 2025-26. Due to the health of the Town Clerk we have undertaken this review remotely, and we thank her for sending all necessary documentation for us to base our opinion on. The delay in issuing this report is due to the need to review DCK's final report when it was finally submitted.

Internal Audit Approach

The objective of this review is to provide an appropriate level of assurance to the Council on their governance, procedures and financial control over the financial year 2025-26, in order to provide full and supportable assurances in the Annual Governance and Accountability Return (AGAR) for 2025-26.

In concluding our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / AGAR. Our programme of cover is designed to afford appropriate assurance that the Council has appropriate and robust financial systems in place that 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 'Internal Audit Report' as part of the Council's AGAR process, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

Details of the work undertaken on the Council's accounting and other records during this review are set out in the following detailed report.

Other than minor observations designed to improve the level of internal check, which are referred to throughout this report, we have not felt the need to make any formal recommendations.

This is the last review this auditor will undertake for Tidworth Town Council, due to retirement. ASL is also being wound down. We would like to thank the Town Clerk and her team for their friendliness and helpfulness during our visits, and wish them and the Council well for the future. It has been a pleasure to be of service.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The Council continues to use the Rialtas Omega accounting software, which affords easy identification and reporting of financial transactions throughout the year. Data entry is undertaken on behalf of the Council each month by externally contracted accountants (DCK, now BC&A). As at 31 March 2026 three accounts are in place with Lloyds Bank: the Current & 30 Day Deposit accounts being combined in a single cashbook, plus the Mayor's Charity account (which we have commented on below). There are also short term investments with the CCLA Deposit Fund, and Close Brothers.

Our objective is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear therein. We have consequently: -

- Agreed the opening trial balance for 2025-26 in Omega with that in the 2024-25 Statement of Accounts and AGAR;
- Verified that the financial ledger remains "in balance" at the year-end;
- Ensured that the cost and expenditure coding structure remain appropriate for purpose;
- Checked and agreed detail in the Omega cashbooks to the Lloyds Bank statements for all accounts up to 31 March 2026.

We note that, further to our previous comments, the Financial Regulation (FR) 2.2 requirement for an independent review of bank reconciliations by Councillors is now being met, and bank reconciliations are now reported to the Council on a quarterly basis. While this addresses our concerns, it is important that these controls are maintained.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation.

Review of Corporate Governance

Our objective here is to ensure that the Council has robust 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. We have:-

- Concluded our review of Minutes of the Full Council and Standing Committees for 2025-26 to ensure that, as far as we may ascertain, 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 that no indications exist of potential problems with the Council's ongoing financial viability;

- Noted that the Council has reviewed and adopted its Standing Orders (SOs) and Financial Regulations (FRs) in November and December 2025 respectively, which now accord with NALC Model Forms;
- Note that the Council still relies on Section 137 of the Local Government Act 1972 for miscellaneous payments. Grants made under this Power are properly recorded in the Full Council Minutes. DCK have not commented on this in their report, but we have identified appropriate spend in the Omega system which is well below the Statutory Maximum allowed by HM Government;
- Confirmed that the Exercise of Public Rights with regard to the 2024-25 Accounts was properly undertaken in accordance with the Accounts and Audit Regulations;
- Noted that the 2024-25 Accounts were signed off by the External Auditor in August, with no issues arising;
- Reviewed the Council's compliance with the Transparency Code 2015, and note a good level of compliance.
- During the year, a new requirement was placed on all Councils regarding Data Protection and IT issues, requiring an assurance at the year-end. We have discussed this in detail with the Town Clerk. We note clear evidence in the Minutes and Policy Statements that this issue is being acted upon, and cyber security is currently being reviewed with the website provider. This work is ongoing into 2026-27, but we believe that the Council reasonably satisfies the new requirements given the relatively short timescale for implementation.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation.

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 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 undertaken a representative sample test of transactions for the financial year, with no significant issues arising, although we would note our previous comments on the desirability of introducing a level of internal check between staff of invoices for payment, but note that this is currently extremely difficult given the very low staff establishment.

We have discussed with the Town Clerk the need, in accordance with FR5.2, to attach a full list of authorised payments to the relevant Full Council Minutes, to match the minuted approved total. This has been implemented for 2025-26 by adding a hotlink to the Minutes to a complete listing included under the Finance tab on the website. However, we have pointed out to the Town Clerk that, as the Minutes on the website are a photocopy, the hotlink does not work.

We have reconciled the VAT account for 2025-26, noting a balance of £3,030.02 (Quarter 4) which will be recovered in early 2026-27. As previously commented we have not been able to reconcile VAT totals for earlier years, which requires investigation by DCK.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation.

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 opportunity for their coming to fruition.

We note that, at its meeting in December 2025, the Council reviewed its Risk Register, which meets the need in FRs for an annual review.

We have examined the Council's insurance policy with Hiscox wef. 1 June 2025. We note that Employer's Liability and Public Liability cover remain in place at £10 Million each, Officials Liability at £500k, and other covers including property (including the Civic Centre), all of which we consider appropriate to the Council's current requirements.

We note that regular safety inspections of the Council's playparks continue to be undertaken by an external contractor, with weekly visual inspections undertaken by Council staff, which are subsequently reported to the Community Services Committee.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation.

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of Precept to be drawn down from Wiltshire Council: also, that an effective reporting and monitoring process is in place. We also aim to ascertain whether the Council retains appropriate funds in Earmarked Reserves to finance its ongoing spending plans, whilst retaining appropriate sums as a General Reserve to cover any unplanned expenditure that might arise.

At its meeting on 16 December 2025, the Council set its Precept for 2026-27 at £577,200, which is properly recorded in the Minutes. Regular reports on the budgetary position are made to Council during the year.

The balance of short-term investments and cash holdings held by the Council as at 31 March 2026 was £1,997,504. The Council's accounts identify Earmarked Reserves of £1,348,111, which leaves a General Reserve at 31 March 2026 of £649,393. This represents 112.5% of the agreed 2026-27 Precept, against a Best Practice level of 50%. This shows a slight reduction on 2024-25, but is still very high, although we have been assured that the Earmarked Reserves are due to be spent down during 2026-27.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation, other than our concern at the high level of the General Reserve.

Review of Income

The Council receives income by way of the annual precept, bank and investment interest, together with Cemetery fees, Civic Centre hire fees, local events and reclaimed VAT. Our aim here is to ensure the effectiveness of controls over income due to the Council ensuring that all such income is identified, fees due are charged appropriately and recovered / banked within a reasonable time period.

We have undertaken a sample test of transactions for the financial year, with no material issues arising. The shortfall in the 2025-26 Precept that we noted in our interim review has been correctly stated in Section 2 of the 2025-26 AGAR.

We have agreed transfers of bank interest between the various accounts and accounting records to date with no issues arising.

We note that Allotment fees were reviewed in December 2025, although we have not seen any review of Cemetery or Civic Centre fees during 2025-26. This is an annual requirement of Financial Regulations.

March 2026 (Community Services Minutes)

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation, other than our observation on the need for a review (not necessarily an increase) of all fees and charges during each financial year.

Petty Cash Account

The Council does not operate a petty cash account. Therefore, there are no issues arising in this area of our review warranting formal comment or recommendation.

Review of Payroll

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 HM Revenues and Customs (HMRC) legislation as regards the deductions and payment over of income tax and NI contributions. To meet this objective we have: -

- Noted that the Council has outsourced preparation of the payroll to its contract accountants (DCK), who produce monthly payslips and other relevant summary payroll documentation;
- Checked and verified the accuracy of PAYE and NI deductions / contributions for September 2025 and March 2026, as recorded on the payslips, with no issues arising.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation at this time.

Investments and Loans

As at 31 March 2026 we have confirmed balances (other than those retained with Lloyds Bank) of £900,000 with the CCLA Deposit Fund, and £850,000 with Close Brothers which is due for redemption in December 2026.

We believe that good use is being made of the Lloyds 30 Day Deposit account to optimise interest earnings, leaving only a reasonable working balance in the Current account.

We have confirmed repayments on the PWLB loan with regard to the Civic Centre, and the balance outstanding at the year-end, to supporting external records, with no issues arising.

Conclusions

There are no issues arising in this area of our review warranting formal comment or recommendation.

Fixed Asset Registers

Government Accounting rules require that all assets are properly identified on a Register, and that they are valued at cost price excluding VAT or any other additional charge. Should that figure be unobtainable, perhaps due to the passage of time or the item being donated, a nominal value can be used which can be as low as £1.

We have accepted DCK's calculation of asset values as at 31 March 2026, as we have no evidence to the contrary. This figure is included in the 2025-26 AGAR at Section 2 (Accounting Statement) Box 9.

Conclusion

There are no issues arising from our review in this area warranting formal comment or recommendation.

Mayor's Charity Account

We have expressed concerns about the purpose of, and accounting for, this fund in our reports going back a number of years.

We note that Council agreed in April 2025 to close this account and grant the balance to Wiltshire Air Ambulance. However this has not been undertaken at the time of audit. We understand this is due to problems with Lloyds Bank in obtaining correct authorised signatories, which is being referred to the Banking Ombudsman.

Statement of Account and AGAR

The AGAR incorporates the Council's Annual Accounts, which are subject to external audit scrutiny and verification.

We have independently verified some of the figures in the 2025-26 AGAR to independent records, and placed reliance in the work of DCK in other areas. Therefore, we have no issues of concern with the AGAR Accounting Statement (Section 2) as presented.

Conclusions

There are no matters arising in this area of our review process and we have duly signed off the Internal Audit Certificate at Page 3 of the AGAR, assigning appropriate assurances in all relevant categories.

Rec. No.	Recommendation	Response
----------	----------------	----------

No recommendations made