

Smaller authority name: **Kidderminster Town Council**

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

| NOTICE | NOTES |
|---|---|
| <p>1. Date of announcement: 12th June 2026(a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2026, these documents will be available on reasonable notice by application to:</p> <p>(b) Hugh Peacocke, CEO, Kidderminster Town Council, Town Hall, Vicar Street, Kidderminster, DY10 1 DB Email: chiefexec@kidderminstertowncouncil.gov.uk Telephone: 07508 868790 commencing on (c) Monday 15 June 2026</p> <p>and ending on (d) Friday 24 July 2026</p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2024. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 30 Churchill Place London E14 5RE sba@pkf-l.com</p> <p>5. This announcement is made by (e) Hugh Peacocke, CEO and RFO, Kidderminster Town Council</p> | <p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and exactly 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p> |

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The [Local Audit and Accountability Act 2014](#) (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act and the [Accounts and Audit Regulations 2015](#) also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. The 30 working day period must include a common period of inspection during which all smaller authorities' accounting records are available to inspect. This will be 1-14 July 2026 for 2025/26 accounts. The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here

means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

Kidderminster Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

| | Agreed | | 'Yes' means that this authority: |
|--|-------------------------------------|--------------------------|---|
| | Yes | No* | |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | prepared its accounting statements in accordance with the Accounts and Audit Regulations. |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. |
| 3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | has only done what it has the legal power to do and has complied with Proper Practices in doing so. |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts. |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | considered and documented the financial and other risks it faces and dealt with them properly. |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority. |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | responded to matters brought to its attention by internal and external audit. |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant. |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | N/A has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts. |
| 10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | has made suitable arrangements for its IT and data management and has complied with proper practices in doing so. |

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

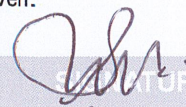
11/06/2026

and recorded as minute reference:

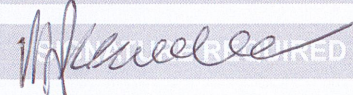
MINUTE No 14, COUNCIL 11/06/2026

Signed by the Chair and Clerk of the meeting where approval was given:

Chair



Clerk



ENTER PUBLICLY AVAILABLE WEBSITE URL OR ADDRESS www.kidderminstertowncouncil.gov.uk

+

Section 2 – Accounting Statements 2025/26 for

Kidderminster Town Council

| | Year ending | | Notes and guidance |
|---|-----------------------|--------------------|---|
| | 31 March 2025 £ | 31 March 2026 £ | |
| 1. Balances brought forward | 1,251,968 | 1,332,502 | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year. |
| 2. (+) Precept or Rates and Levies | 1,024,716 | 1,224,286 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 7,943,283 | 2,451,184 | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received. |
| 4. (-) Staff costs | Restated 363,495 | 509,965 | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments | 109,605 | 119,689 | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | Restated 8,414,365 | 3,868,774 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 1,332,502 | 509,544 | Total balances and reserves at the end of the year. must equal (1+2+3) - (4+5+6). |
| 8. Total value of cash and short term investments | 2,069,518 | 534,045 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation. |
| 9. Total fixed assets plus long term investments and assets | 227,541 | 393,013 | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March. |
| 10. Total borrowings | 1,971,353 | 3,069,385 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

| For Local Councils Only | Yes | No | |
|--|-----|----|---|
| 11 Do the figures in the accounting statements above exclude any trust transactions? | ✓ | | For guidance refer to the Practitioners' Guide sections 2.31 to 2.33. |

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

[Signature]
SIGNATURE REQUIRED

Date

05/06/2026

I confirm that these Accounting Statements were approved by this authority on this date:

11/06/2026

as recorded in minute reference:

MINUTE NO 14, COUNCIL 11/06/2026

Signed by Chair of the meeting where the Accounting Statements were approved

[Signature]
SIGNATURE REQUIRED

Annual Internal Audit Report 2025/26

Kidderminster Town Council

ENTER PRESS <https://www.kidderminstertowncouncil.gov.uk/>

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

| Internal control objective | Yes | No* | Not covered** |
|--|-----|-----|----------------|
| A. Appropriate accounting records have been properly kept throughout the financial year. | ✓ | | |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✓ | | |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✓ | | |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✓ | | |
| F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for. | ✓ | | |
| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | ✓ | | |
| H. Asset and investments registers were complete and accurate and properly maintained. | ✓ | | |
| I. Periodic bank account reconciliations were properly carried out during the year. | ✓ | | |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | ✓ | | |
| K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered") | | | ✓ |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. <i>Please see written report.</i> | | ✓ | |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set). | ✓ | | |
| N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes). | ✓ | | |
| O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance. | ✓ | | |
| P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee. | Yes | No | Not applicable |
| | ✓ | | |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

13/02/2026

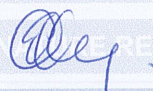
27/02/2026

DD/MM/YYYY

Claire Tilley CiLCA PIALC NAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED



Date

05/06/2026

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

BANK RECONCILIATION PERIOD ENDED 31st March 2026

KIDDERMINSTER TOWN COUNCIL

| | £ | £ |
|--|------------|--------------------------|
| Balance per bank statement as at 31st March 2026 - Mixed Payments Plan | 18,692.37 | |
| Balance per bank statement as at 31st March 2026 - Events | 0.00 | |
| Balance per bank statement as at 31st March 2026- Business Premium Account | 513,852.85 | |
| Outstanding Items | | 532,545.22 |
| Less unrepresented cheques as at 31st March 2026: | | 0.00 |
| | | 532,545.22 |
| Plus any petty cash balance held at 31st March 2026 | | 500.00 |
| Plus Short Term Investment | | 1,000.00 |
| TOTAL - NET BANK BALANCES AS AT 31st March 2026 (Box 8 on Annual Return) | | <u>534,045.22</u> |

The net balances reconcile to the Cash Book for the year, as follows:

| CASH BOOK | £ |
|---|--------------------------|
| Opening Balance: | 2,069,517.82 |
| Add: Receipts in the year | 4,525,401.25 |
| Less: Payments in the year: | 6,060,873.85 |
| CLOSING BALANCE PER CASH BOOK @31st March 2026 (Box 8 on Annual Return) | <u>534,045.22</u> |

| Represented by | | £ |
|-----------------------|----------------|--------------------------|
| | Cash book | 532,545.22 |
| | Short Term Inv | 1,000.00 |
| | Petty Cash | 500.00 |
| | | <u>534,045.22</u> |
| | | 0.00 |

| | | | | |
|--|---|-------------|------------|--|
| | | | | |
| Annual Governance and Accountability Return 2024/25 | | | | |
| Section 2 - Accounting Statements | | | | |
| KIDDERMINSTER TOWN COUNCIL | | | | |
| | | | | |
| | Explanation of Variances of £100,000 or more | | | |
| | | Year Ending | | Explanation |
| | | 31/03/2025 | 31/03/2026 | |
| | | £ | £ | |
| 1 | Balances brought forward | 1,251,968 | 1,332,502 | |
| 2 | (+) Precept or Rates and Levies | 1,024,716 | 1,224,286 | Increased staff costs: £146,470 (see box 4 below) and Town Hall re-opening costs: £100,000 |
| 3 | (+) Total other receipts | 7,943,283 | 2,451,184 | Reduced Levelling Up Fund Grants towards completion of Town Hall transformation project |
| 4 | (-) Staff costs | 363,495 | 509,965 | Staff restructure costs: £146,470 |
| 5 | (-) Loan interest / capital repayments | 109,605 | 119,689 | |
| 6 | (-) All other payments | 8,414,365 | 3,868,774 | Reduced expenditure on completion of Town Hall transformation project (£4.5M) |
| 7 | (=) Balances carried forward | 1,332,502 | 509,544 | |
| | | | | |
| 8 | Total Value of cash and short term investments | 2,069,518 | 533,645 | |
| 9 | Total fixed assets plus long term investments | 227,541 | 393,013 | |
| 10 | Total borrowings | 1,971,353 | 3,069,835 | Additional borrowings for Town hall transformation project: £1,098,482 |

**KIDDERMINSTER TOWN COUNCIL
FINANCE AND OVERVIEW COMMITTEE**

**Minutes of the meeting held on 15th April 2026 in the
Council Chamber, Kidderminster Town Hall**

Present: Councillors: Steve Hollands (Chair), John Beckingham, Liam Carroll, George Connolly (substitute), Bernadette Connor, Helen Dyke (Vice Chair), Doug Hine, Fran Oborski and Mary Rayner.

In Attendance: Hugh Peacocke, Chief Executive Officer
Christopher Pugh, Corporate Services Manager

APOLOGIES FOR ABSENCE: Councillor Ben Brookes

ABSENT: None

43. DECLARATIONS OF INTEREST

The CEO pointed out that all members have a dispensation to discuss matters relating to the precept (See agenda item 13: Budget 2026-27)

44. PUBLIC QUESTION TIME

Nil

45. MINUTES

RESOLVED: That the minutes of the previous meeting held on 15th October 2025 be approved as a true record and signed by the Chair.

46. Approval of Accounts

The CEO presented details of income the Council received from 1st October to 31st December 2025, totalling £1,056,653.45 (excluding VAT).

The income (appendix 2.1) included

- £799,720 received from the Public Works loan Board towards the Town Hall Transformation Project,
- £62,677.04 from The National Lottery Heritage Fund, and
- £130,380.75 and £42,788.51 income from Town Hall bookings and ticket sales

Appendix 2.2: payments from 1st October 2025 to 31st December 2025, totalling £1,748,485.88 (including VAT)

- Loans: repayment of bridging finance to WFDC: £800,000, plus loan charges: £83,694.10
- Town Hall Transformation Project: £347,794.06
- Town Hall re-opening: £130,763
- 4 months of salaries: £163,694

Members expressed concerns regarding receipts and expenditure not properly explained on the lists. The CEO acknowledged those concerns, which he felt were due to communication issues between the Town Council and the accounts team at the District Council and that this would improve when SLA is finished and the Town Council deals with its own accounts.

In some cases, KTC officers not following procedures and the Corporate Services Manager had written to all officers advising them on the need to protect public monies and to keep proper records. He was happy that there was no fraud or misappropriation of funds involved but agreed that this needed to be addressed. The CEO was directed to update the report on the Council's website as further information on these matters became available.

The CEO said that he would bring forward purchase/ procurement amendments to the Council's Financial Regulations to the next Committee meeting, for approval. This would also include Social Value criteria, promoting local purchasing, subject to value for money.

RESOLVED: To approve payments totalling £1,748,485.88 (including VAT) over the period from 1st October 2025 to 31st December 2025.

47. Budget monitoring

The meeting reviewed the Council's income and expenditure from 1st October 2025 to 31st December 2025 against budgets set for 2025-26.

(Councillor Mary Rayner left the meeting at 6.30 pm)

The strong performance of revenue income on the Town Hall budget line, which is anticipated to be close to £200,000 (budget £80,000), was welcomed by Members. The meeting complimented the Business Development Lead, Curtis Fudge, and the Town Hall team, for these achievements.

It was noted that there was overexpenditure against some accounts and the CEO would take year-end figures to the April meeting for approval.

48. BANK RECONCILIATIONS

The Committee received the Bank reconciliations for October, November and December 2025.

- Oct: £1,120,018
- Nov: £ 758,591
- Dec: £ 769,071

The Committee heard that the CEO was monitoring cash flow before drawing down any further on the loan approval (£450,000 remaining out of £1,250,000 approved). Members would be updated as this arose.

49. Vision 2025-2029

- A) The CEO presented the Action Plan report, which showed how the Council was performing at 31st December 2025 against the various aims and objectives set out in the Council' Vison 2025-2029.

Under 1.B: "Provide outstanding parks, playgrounds and public spaces," it was asked that the frequency of tree inspections be included in the report.

The meeting welcomed the reduced number of red flagged items due to completion of Town Hall project, re-opening of the Town Hall and the improving financial situation for the Council.

B) The Committee considered the recommendations for amendments to the Council's Vision 2025-2029, and

Resolved: To recommend to Full Council the following amendments to the Council's Vision 2025-2029:

- *1.H. We will exercise best practice as an employer, promoting fairness and equality for our employees and volunteers*

- *3.H. Support and encourage the understanding of different cultures and peoples through organisations such as the Twinning Association and our various local faith groups*

- *3.I. Encourage and support the promotion of Kidderminster's history, heritage and tourism.*

50. Strategic Risk Register

The CEO presented the Strategic Risk Register at 31st December 2025, which reflected reduced risks around the Town Hall Transformation Project and the Council's finances since the previous review.

A member pointed out that District Councillors had recently received Risk Management Training, including the appetite for risk and the CEO was asked to enquire about similar training for Town Council members.

Members asked that the risks around the Music Room in the Town Hall be added to the Register, as this was now becoming an important revenue stream for the Council. The meeting also that the probability of risk no. 8: "Fraud, Misconduct and underperformance" be increased until the matters discussed under minute no. 48 above, re accounting records, are addressed.

51. Complaints Policy

The meeting reviewed the Council's Complaints Policy.

Resolved: To add the following amendment to Clause 5:

"The Town Mayor will consult the CEO in the matter and it will then be referred to the relevant Committee of the Council for consideration. If the complaint involves the CEO, the Mayor will advise the CEO of the position and refer the matter to whichever committee of the Council the Mayor feels should deal with it.

The complainant will be invited to attend and address that meeting if they wish. The decision of the Committee in the matter will be final."

52. IT Policy

Chris Pugh, the Council's Corporate Services Manager, presented a report giving details of the new requirement for Town and Parish Councils to assert their compliance with requirements around information, personal data and use of technology. This would be a new assertion, No. 10, on the Annual Governance and Accounting Return. A key requirement arising from this is that every council must have a formal IT policy in place. This policy was intended to set out clearly how councillors, the CEO, and any other staff should use both council-owned and personal devices when conducting council business. It covers issues such as information security, data protection, appropriate use of email and online systems, and general good practice when working digitally on behalf of the authority.

The draft IT Policy was based on the template provided by NALC (The National Association of Local councils), amended for the Council's purposes.

Resolved: To approve the draft IT Policy as presented.

53. Appointment of Internal Auditor

The CEO presented a report recommending that the Council appoints LCC (Local Consultancy Services) as the Council's internal auditors for the financial year ending 31st March 2025 and until further notice.

Resolved: To appoint LCC (Local Consultancy Services) as the Council's internal auditors for the financial year ending 31st March 2025 and until further notice.

54. Budget 2026-27

The CEO presented a report and draft budget for 2026-27. It included recommendations from the Council's committees, except for the Civic, Community and Events committee which met on 14th Jan and recommended:

- An additional £2,000 for Christmas Lights Electricity (currently at £800) – in order to improve the infrastructure for the lights in the town, and
- £4,000 for Twinning (currently at £1,000) – to accommodate the Kidderminster-Husum Twinning Civic Visit and 50th Anniversary Celebration, as per the WG Chair's report.

These recommendations were approved, with the stipulation that the Town Twinning addition was a one-off, to enable the Council to mark the 50th Anniversary of the twinning with Husum. It was also required that the Anniversary celebrations should be inclusive and accessible to the wider community of Kidderminster.

The CEO presented his report on the draft budget which addressed the following matters:

- The overall revenue and capital expenditures,
- The main items of expenditure
- The Sales budget for 2026-27
- The proposed level of precept to be raised for 2026-27.

The report also listed some of the more discretionary items of expenditure and additional matters proposed in the draft budget.

Members discussed financial provision for the next Town Council elections due in May 2028 and agreed that the budget be amended to provide towards the cost of this election.

The Committee requested that a "Precept Leaflet" be included with the Council tax bills, highlighting the main features of the budget and how the Council would spend the money for the people of Kidderminster.

RESOLVED: To recommend to Council the draft Budget for 2026-27, subject to the amendments listed above.

55. Forward Work Programme

To include an update on the position around financial accounting, as discussed above.

56. Exclusion Of The Press And Public

The Committee resolved that the press and public be excluded from the meeting as confidential financial information which would not be in the public interest was likely to be disclosed.

57. Approval of Lease of Room- Town Hall

The CEO told the Committee that the Registrars had advised that they would not be returning to the Town Hall, which left 2 meeting rooms available on the ground floor. One of these has been designated as the Duty Manager's Office. The Council has received an offer to rent the other room for one day per week at a rent which represented good value for the Council.

Resolved: To approve the Room Hire Agreement for the use of a meeting room on the ground floor of the Town Hall, for one day per week, in accordance with the terms of the agreement circulated to the meeting.

The Meeting closed at 7.50 pm

Signed: _____
Chairman

Date: _____

**KIDDERMINSTER TOWN COUNCIL
TOWN COUNCIL**

**Minutes of the meeting held at 6pm on Wednesday 28th January 2026
In the Council Chamber, Kidderminster Town Hall**

Present:

Councillors Doug Hine (Town Mayor), John Beckingham, , Vickie Caulfield, Darren Chambers, George Connolly, Mark Crosby, Helen Dyke, Nicky Gale, Steve Hollands, Mary McDonnell, Shazu Miah, Fran Oborski (MBE), Mary Rayner and Mike Smith.

In Attendance

Hugh Peacocke, Chief Executive Officer

Before commencing the business of the meeting, the Mayor said how pleased he was that the Council had now returned to their own Council Chamber, in their own Town Hall. He said that this was where the Council belonged, it's "Spiritual Home".

He also thanked Councillor Steve Hollands for all his skill, assistance and time helping staff to reinstate the Mayor's Parlour and the Council Chamber.

APOLOGIES FOR ABSENCE

Councillors Bernadette Connor, Ben Brookes, John Aston and Liam Carroll.

33. DECLARATIONS OF INTEREST

The CEO told the meeting that all Members of the Town Council have a dispensation when discussing the precept.

Councillor Steve Hollands declared an interest in the Agenda item re the Museum of Carpet, as was a trustee of the Museum.

34. PUBLIC QUESTION TIME

None

35. APPROVAL OF MINUTES

RESOLVED: To approve the minutes of the meeting of Kidderminster Town Council held on 22nd October 2025.

36. TOWN HALL PROJECT REVIEW

The Mayor welcomed to the meeting Mr. Peter Brant and Mr Stephen Jones, of Gleeds, the Council's Project Managers for the Town Hall project.

Members received their evaluation presentation following the completion of the project. This was followed by questions from Members, which raised the following matters:

- The delays caused by the podium construction, including the sourcing of the stone from India. This was especially frustrating as it was still not completed before the formal re-opening event;
- The removal of the liquidated damages clause from the construction contract;
- The value engineering process and the impact it had on the overall project, leading to cost increases when essential elements were added back;
- Changes to personnel and to the Council following the Town council elections in 2024;
- Cost control could have been improved;
- Cadent's failure to reinstate the pavement outside the Courtyard entrance;
- Accessibility issues and the need for a wheelchair lift at the stage and in the King Charles room
- The inclusion of the handrail on the podium, for which councillors had to press.

Overall, the Council was satisfied that a good quality outcome had been achieved and the Council now had a fantastic building. The success of the Town Hall since re-opening vindicated the Council's decision to undertake the project.

The Mayor thanked Mr. Brant and Mr. Jones for their presentation and their attendance at the meeting.

37. THE KIDDERMINSTER MUSEUM OF CARPET

The Mayor told the meeting about the public concern expressed when the Trustees of Museum of Carpet announced its planned closure on 20th December 2025. The Mayor had arranged a meeting with the Museum, the District Council, the Town council and other interested parties and he was very pleased when the museum announced plans to open during the February school half term break.

The Mayor welcomed to the meeting Mr. Geoff Gilbert, Chairman of the Trustees of The Kidderminster Museum of Carpet and Mr. Gordon Cooper, also a Trustee.

The meeting discussed the issues faced by the Museum and their proposals to retain the Museum. This included plans to widen the Museum offer to include other aspects of the history and heritage of Kidderminster.

Mr. Gilbert told the meeting that the financial details presented depended on volunteers, with no staff costs. This showed a deficit of £19,000 for the year.

The Mayor thanked Mr. Gilbert and Mr. Cooper for coming to the meeting.

RESOLVED: A) That the Council supports the transition of the Museum of Carpet to the Museum of Kidderminster,

B) That the Council would support the District Council and other partners and funding organisations to enable this transition, and

C) Approval for any financial support from the Council be delegated to the Finance and Overview Committee of the Council.

(Councillor Mary Rayner left the meeting at 7.26 pm)

38. TOWN MAYOR'S REPORT

Councillor Doug Hine, Town Mayor, reported on Mayoral activities since the last meeting of the Council.

He thanked staff for their support, and councillors for their attendance, at the following recent events:

- The Town Hall Grand Reopening, Friday, 7th, and Open Day, 8th November
- Remembrance Sunday, 9th November
- Christmas Lights Switch on, Saturday, 15th November
- Santa in the Town, Saturday, 6th December
- The Mayors' Christmas Carol Service, 14th December

He was also looking forward to the Mayor's Charity Ball on Saturday, 28th February.

39. THE KIDDERMINSTER EDUCATION FOUNDATION

The Mayor pointed out that the Council as a corporate body was the sole Trustee of the Kidderminster Educational Foundation.

RESOLVED: That the Council convenes as the Trustee of the Kidderminster Educational Foundation.

The Foundation noted the Annual report for the financial year ended 31st March 2025, which had been submitted to the Charity Commission. The Mayor said that the Foundation held funds totalling £83,399.25 at the end of the year. No grants were awarded during the year 2024-2025. These funds were invested by Wyre Forest District Council.

The CEO told the meeting that the Foundation had appointed a Management Committee of 3 members to consider applications for funding from the Foundation. If one of these members are unable to attend, there would be only 2 members, which was a small number, and there could be issues in the event of an equality of votes. He recommended that the foundation appoint at

least 4 members to the Management Committee, with a quorum of 3 required for all meetings.

It was noted that Councillors Helen Dyke, Fran Oborski and Liam Carroll had been appointed to the management Committee.

RESOLVED: To add Councillors Vicky Caulfield, Shazu Miah and Nicky Gale to the Management Committee of the Kidderminster Educational Foundation.

40. COMMITTEE MEETINGS

The Council noted the minutes of the Committee Meetings held since the Council meeting on 22nd October (already circulated to Members and published on the Council's website):

- The Planning Committee meetings held on 29th October, 26th November and 18th December
- The Town Hall Committee held on 16th December 2025
- The Operational Services Committee held on 8th December 2025
- The Finance & Overview Committee held on 16th January 2026
- The Staffing Committee held on 3rd December and 15th December 2025, and
- The Civic, Community and Events Committee held on 14th January 2026.

41. SCHEDULE OF MEETINGS 2026-27

The Council received the Schedule of meetings for the Municipal Year 2026-27. It was agreed that the Operational services committee and the Civic, Community and Events Committee needed to meet more often and additional dates would be added.

The CEO to forward amended schedule to all members.

(Councillor Mike Kelly left the meeting at 7.55 pm)

42. REPORT OF THE EXTERNAL AUDITOR ON THE FINANCIAL YEAR ENDED 31ST MARCH 2025.

The CEO presented the report of the Council's External Auditors (PKF Littlejohn) for the financial year ended 31st March 2025 and his report on the issues arising in the report.

RESOLVED: To receive the report and to note the actions which officers are taking to address the issues raised in the report.

43. Vision 2025-2029 (Appendix 8)

The Mayor told the meeting that each of the Council's Committees had reviewed the current Strategy and some proposals for amendments had been received. The amendments recommended the addition of the following:

- 1.H. *We will exercise best practice as an employer, promoting fairness and equality for our employees and volunteers*
- 3.H. *Support and encourage the understanding of different cultures and peoples through organisations such as the Twinning Association and our various local faith groups*
- 3.I. *Encourage and support the promotion of Kidderminster's history, heritage and tourism.*

To Approve the review of the Council's Vision for 2025 to 2029, with the addition of the above amendments.

44. BUDGET 2026-2027

The CEO presented a draft budget for 2026-2027 which proposed a total revenue spend of £1,943,272, capital £175,000 (The retention money outstanding on the Town Hall contract) and contingencies/ transfer to reserves of £40,000, giving total expenditure of £2,158,272.

This would be funded by Council income of £636,292 and a proposed precept of £1,521,980.

The main items to note in the draft budget were as follows:

- i. Loan Charges next year are estimated to cost £248,000
- ii. Expenditure on events, including events staff: £263,817
- iii. Other Town Hall Salaries: £75,098
- iv. On the plus side, a huge increase in income from the Town Hall, forecast to be almost £600,000 (£593,292)
(Overall, the events accounts for the Town Hall are forecast to yield a profit of £304,972, which is equivalent to 20% of the precept proposed for next year)
- v. The retention money held on the refurbishment contract: £175,000
(A one-off capital payment in 2026-27)

The other main items of revenue expenditure are as follows:

- Staff costs (including Town Hall Staff): £ 625,548 (33%)
- Contracts and SLA's: £ 267,341 (14%)

RESOLVED: To approve an overall budget of £2,158,272 for the financial year 2026-27 and to raise a precept of £1,521,980 towards this expenditure for the financial year 2026/27.

45. FULL COUNCIL FORWARD WORK PROGRAMME 2025-26

The Mayor presented the Forward Programme and invited members to comment or propose any additions for future meetings.

Noted that the Annual review of the Asset Register is on the agenda for April Finance and Overview Committee.

Agreed that arrangements for display and storage of Town Council artefacts be delegated to the Town Hall Committee.

The Meeting concluded at 8.55 pm.

Signed: _____
Town Mayor

Date: _____

| External Auditor | CEO's Comments | Actions for next year |
|---|---|---|
| <p>On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.</p> | <p>This is confirmation that except for the matters listed below, no other matters have arisen regarding the Town Council's accounts for 24-25.</p> | <p>Please see below.</p> |
| <p>Section 1, Assertion 5 has been incorrectly completed. Information received from the smaller authority highlights that risk management arrangements were not reviewed and approved by the authority as a whole during the year. As a result, this assertion should have been answered 'No'.</p> | <p>Reviewed April 2025.</p> | <p>None required</p> |
| <p>Section 2, Box 4 incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners' Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.), items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority, payroll processing costs and contractor/locum clerk costs in respect of individuals who are self-employed, are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The figures in Section 2, Boxes 4 and 6 for the prior year should read £309,063 and £8,413,069 (respectively). The figures in Section 2, Boxes 4 and 6 for the current year should read £363,495 and £2,135,454 (respectively). Please restate Boxes 4 and 6 in next year's prior year comparatives if appropriate.</p> | <p>Inadvertently included Mayor's Allowance</p> | <p>Restate, as directed.</p> |
| <p>We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2025/26 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27.</p> | <p>We did actually make proper provision during the year 2025/26 for the exercise of public rights, but the wrong form was returned. They have accepted this and advised that we remind them next year.</p> | <ol style="list-style-type: none"> 1. Advise External auditors of the position for 24-25. 2. We will ensure this does not happen again (corporate services to cross-check the return to the external auditors.) |

| | | |
|--|---|--------------------------------|
| <p>In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to budget and contract monitoring. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.</p> | <p>This arises from issues relating to the financing of the town hall project. This has been addressed.</p> | <p>Advise internal auditor</p> |
| <p>The smaller authority should ensure that it has regard to the level of reserves held and cashflows when considering future precept requests.</p> | <p>This will be brought to the attention of the Council when setting a budget for 26-27.</p> | <p>Monitor and review</p> |



31 March 2026

MR HUGH THOMAS PEACOCKE
KIDDERMINSTER TOWN COUNCIL
KIDDERMINSTER
TOWN HALL
VICAR STREET
KIDDERMINSTER
DY10 1DB

Your Business accounts – at a glance

Up-to-date account information

To get your current balances or find out about other accounts you have that aren't listed here, log on to online banking (if you're registered), or call us on 0345 605 2345 .

Your balances on 31 March 2026

Business Current Accounts

Business Current Account Statement £82,407.75

Sort Code 20 46 06 • Account No 03002918

Business Current Account Statement £18,692.37

Sort Code 20 46 06 • Account No 30880450

Community Account Statement £3,252.41

Sort Code 20 46 06 • Account No 73729796

Business Current Account Statement £0.00

Sort Code 20 46 06 • Account No 23398072

Business Savings Accounts

Business Premium Account £513,852.85

Sort Code 20 46 06 • Account No 43591441

This is the end of your account summary.

Statement of Account

KIDDERMINSTER TOWN COUNCIL
Kidderminster Town Council
Wyre Forest House, Room FF15 Finepoint Way
KIDDERMINSTER
DY11 7WF

5 April 2026

Account name: **KIDDERMINSTER TOWN COUNCIL-KTC Investment**
Account number: **PS3078923-001**
Statement period: **28/02/2026 to 31/03/2026**

Account summary

Total valuation as at 31 March 2026 **£1,000.00**
Total valuation as at last statement at 28 February 2026 **£1,000.00**

Holdings as at 31 March 2026

| Fund name | Unit/share holdings | Price per unit/share | Value |
|---|---------------------|----------------------|--------------------|
| Public Sector Deposit Fund SC4 - Public Sector GB00B3LDFH01 | 1,000.0000 | £1.00 | £1,000.00 |
| | | | Total value |
| | | | £1,000.00 |

The average Fund yield for this period was 3.74% p.a.

Income for the period is as follows:

| Month | Date paid | Fund name | Method | Amount (£) | Destination |
|----------|------------|--|--------------------------------|------------|-------------|
| Mar 2026 | 02/04/2026 | Public Sector Deposit Fund SC4 - Public Sector | Paid to Nominated Bank Details | £3.17 | |

Correspondence address: PO Box 12892, Dunmow, Essex CM6 9DL

clientservices@ccla.co.uk Freephone 0800 022 3505 www.ccla.co.uk

Fund documentation is available at www.ccla.co.uk/investments, or may be requested from our Client Services team. Telephone calls are recorded.
CCLA Investment Management Limited (registered in England & Wales, No. 2183088) is authorised and regulated by the Financial Conduct Authority.
Registered address: One Angel Lane, London EC4R 3AB.

All CCLA forms are available on our website: www.ccla.co.uk/resources/client-documentation. Please ensure that you download and use the latest available form to make any transaction or amendment. Using an old form will result in the instruction being rejected.

Before making any additional investments into CCLA funds, please read the most recent version of the relevant fund's key information document (KID). KIDs can help investors understand the nature, risks, costs, potential gains and potential losses of fund, and compare the fund with other products. The KIDs for our funds are available in the investments section of our website at, www.ccla.co.uk. Or, you can ask us to send you copies, free of charge, by emailing our Client Services team at clientservices@ccla.co.uk.

Please keep all documents (including this statement) safe as you may need to refer to the information in the future.

If you would like to discuss any of the information on your statement please contact Client Services.

A glossary of terms used in this communication is available on www.ccla.co.uk/glossary. If you would like the information in an alternative format or have any queries, please call us on **0800 022 3505** or email us at [**clientservices@ccla.co.uk**](mailto:clientservices@ccla.co.uk).



LCC REPORT FOR
KIDDERMINSTER TOWN COUNCIL
INTERIM INTERNAL AUDIT REPORT FOR 2025-2026

6TH March 2026

Ref: LCC 25-167

LCC Auditor: Claire Tilley

**Local Council Consultancy (LCC)
Collar Factory, Suite 2.03
112 St. Augustine Street
Taunton
Somerset
TA1 1QN**

**Email: consultancy@localcouncilconsultancy.co.uk
Website: www.localcouncilconsultancy.co.uk**

To Kidderminster Town Council

I performed my first remote audit on the 14th February, by viewing the Minutes and other Documents on the Town Council website <https://www.kidderminstertowncouncil.gov.uk/> I subsequently sent several queries to Hugh Peacocke, the Chief Executive, in readiness for my in person visit on the 27th February 2026. I would like to thank Hugh and his colleagues for their hospitality and assistance.

BASIS OF REPORT

This internal audit report is based upon the Practitioners Guide (Joint Panel on Accountability and Governance) Governance and Accountability for Smaller Authorities in England 2023 publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

Please note: it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: Governance and Accountability for Smaller Councils - A Practitioners' Guide 2023 – Section 4).

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|--|---|
| A | Bookkeeping Arrangements | <p><i>The Bookkeeping arrangements of the Council are currently administered by Wyre Forest District Council using Aggressor software . I was unable to access any of this at the in-person audit</i></p> | <p>I will need remote access, or comprehensive reports from this package at year end, in order for me to assess this Objective.</p> <p>I understand that the Council are going to be moving the bookkeeping in-house and I would approve of this course of action</p> |
| B | Council's Financial Regulations have been met with regard to expenditure | <p><i>I understand that Invoices are submitted to the council and kept electronically – with the Council being supplied with a retrospective list for approval. Purchase Orders and Invoices to customers are raised in house then sent to the District for input and payment. The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.</i></p> <p><i>I had selected a good number of transactions which were able to be matched to invoices, showing correct VAT treatment</i></p> | As above. |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---------|--|---|
| | | <p><i>However, there is no process in place for the use of the debit cards</i></p> | <p>Five bank cards are currently issued to members of staff for the purchase of small incidental items. During the review, several instances were identified where receipts were not available to support expenditure.</p> <p>To strengthen financial control and accountability, consideration should be given to the following options:</p> <ol style="list-style-type: none"> 1. Reducing the number of bank cards in circulation and implementing a policy requiring staff to retain and submit receipts, together with clear guidance on authorised expenditure. 2. Introducing a petty cash system supported by an appropriate policy and defined procedures for recording, monitoring, and reconciling expenditure. 3. Establishing accounts with frequently used local suppliers to minimise the need for ad hoc purchases using bank cards. |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|--|--|
| C | Risk Management | <i>I have noted that Council has assessed the significant risks to achieving its objectives using their Risk Assessment and have seen the document- last reviewed in April 2025.</i> | To be reviewed in April 2026, as references to Town Hall Building project can be updated |
| C | Insurance Cover | <i>I was provided with the Schedule from Zurich, which provides cover from Sept 25- March 31st 2026</i> | A thorough review of the policy should be made in relation to the Asset register prior to renewal at the end of this month. There does not currently appear to be any provision for Play Equipment and Machinery. More importantly, the Town Hall is not listed under Buildings- is this insured elsewhere? |
| C | Monitoring of Assets | <i>I cannot see where this occurs at present</i> | Please provide details of your asset monitoring before my final audit |
| C | Internal Control – The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management- which should be reviewed at least once a year | <i>I am satisfied that the council approve invoices, review the budget and risk management.</i> | Adopt a formal Internal Control Review process |
| D | Budgetary Controls (Precept requirement) | <i>The annual Precept requirement resulted from an adequate budgetary process resulting in a request of £1,521,980</i> | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|---|--|
| D | Budgetary Controls (Budget monitoring) | <i>Progress against the budget was monitored and minuted regularly.</i> | |
| D | The final Outturn is in line with expectations | <i>To be confirmed at year end</i> | |
| E | Income controls | <i>The council is now operating a large venue, with a dedicated booking officer, and income is above expectations Aged Debtor list to be reviewed at year end</i> | |
| F | Petty cash controls | <i>Petty cash is not operated by the Council.</i> | This may be something to consider, in order to negate the use of multiple bank cards – see my comments at B |
| G | Payroll controls | <i>Salaries to employees are currently administered and paid out via Wyre Forest DC. These are paid before the Council are able to check them. Therefore I had limited access to process and procedures, but would expect that a DC would be administering them correctly. A payroll report was viewed.</i> | I understand that the Council is considering bringing payroll administration in-house. However, as payroll is a complex and compliance-sensitive function, consideration may be given to outsourcing this service to a reputable payroll bureau. Such providers can work closely with the Council to ensure appropriate checks and controls are maintained. For example, the payroll bureau could undertake the calculation of payroll and production of payslips, while the Council retains responsibility for authorising and making the payments. |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|---|--|
| H | Asset Controls - all material assets correctly recorded | <i>The current asset register is comprehensive and appears to have correctly recorded all material Assets. The correct basis of valuation has been applied.</i> | I was unable to find reference to the Tennis Court Floodlights, as appears on the Insurance Schedule |
| H | Asset Controls - all additions correctly recorded | <i>I will check whether Additions in the year have been correctly recorded within the Cash Book and Register- when I have sight of the accounts</i> | |
| H | Asset Controls - all Deeds and Titles established and shown on register? | <i>All appropriate Deeds and Titles have been established and are shown on the Register.</i> | |
| I | Bank Reconciliations | <i>Periodic reconciliations were properly carried out. Year-end to be established at that time</i> | |
| J | Accounting Statements | <i>To be confirmed at year end</i> | |
| K | Limited Assurance Review Exemption | <i>The Council does not meet the exemption criteria.</i> | |
| L | Information published on website in line with relevant legislation | <i>As the council have a turnover exceeding £200,000 they need to follow the Local Government Transparency Code 2015- see Compliance below</i> | |
| L | 1) Expenditure over £500 is recorded on the Council website and with all information requirements | <i>All cashbook transactions appear as Appendices to the Finance & Oversight Committee Agendas</i> | |
| L | 2) Government Procurement Card | <i>Nonapparent on website- although there is a page for 'Accounts, Policies and Tenders'</i> | Are there any of relevance that need to be published? |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|---|--|
| L | 3) Tender for contracts to provide goods with a value exceeding £5,000 | <i>Nonapparent on website- although there is a page for 'Accounts, Policies and Tenders'</i> | As above |
| L | 5) all other annual publication requirements eg Land and Asset Grants Organisation Chart Staff salaries exceeding £50K Parking Spaces | <i>Asset register published Not present Not present Staff costs as a whole are contained within the F&O Agendas</i> | The Council should ensure that all relevant requirements are met. Consideration may also be given to creating a dedicated Transparency Code section on the Council's website where all required information can be published and easily accessed in one place. |
| M | Exercise of Public Rights | <i>The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: Monday 30th June 2025- Friday 8th August 2025</i> | |
| N | AGAR publication Requirements | <i>The Parish Council complied with the publication requirements for the 2024/25 AGAR</i> | |
| O | Trust funds (If applicable) – the Council met its responsibilities as a trustee | <i>The Parish Council does operate as a trustee for the Kidderminster Educational Foundation. Returns have been filed with the Charities Commission</i> | As the Council acts as the Sole Trustee of the charity, it is important that the charity's governance is demonstrated through appropriate trustee meetings with clear records of decisions made in relation to the charity. I note that the Agenda and Minutes section on the website is 'under construction' Consideration should also be given to holding an annual |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---------|----------|--|
| | | | meeting to review the charity's activities, finances, and compliance with its governing document, to support transparency and good governance. |

Other

| Process | Criteria | Findings | Recommendations and actions |
|--|---|---|--|
| Review of Internal audit action plan has been considered and actioned? | Good Practice – but ensures there is overall internal control effectiveness | <i>The Internal Audit had been reviewed the previous year- but Council have determined that this should be delegated in subsequent years to the Finance and Oversight Committee</i> | <p>At section 1.13 of the Financial Regulations, the reference to the Internal Auditor has been removed from the bolded wording which states that “addressing recommendations in any report from the External or Internal Auditors shall be a matter for the Full Council only.”</p> <p>However, section 1.1 of the Financial Regulations states that bold text indicates legal requirements which a council cannot change or suspend.</p> <p>The removal of the reference to the</p> |

| Process | Criteria | Findings | Recommendations and actions |
|---|---------------|--|---|
| | | | Internal Auditor therefore appears inconsistent with this provision. It is recommended that this is reviewed and that recommendations arising from Internal Audit reports are considered by Full Council in accordance with the Financial Regulations. A summary or précis of the Internal Audit report may be presented where appropriate. |
| External Audit recommendations have been considered and actioned. | Good Practice | <i>The Conclusion of Audit report had been received for 24/25 and had been published on the website.</i> | |
| Qualifications made, if any have been addressed in 2024/25. | | <i>Findings: Risk Management not reviewed</i> <i>Incorrect Staff costs included in Box 4</i> | Risk Management reviewed this year To be reviewed at year end to ensure compliance |

Conclusion

The above are recommendations to help the Council improve its processes and in no way detract from the work it, the Chief Executive and staff, has already done.

This report should be noted and taken to the next meeting of the Full Council for minuting to inform them of the Internal Audit work carried out.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.



Claire Tilley
Internal Auditor



**LCC REPORT FOR
KIDDERMINSTER TOWN COUNCIL
INTERNAL AUDIT REPORT FOR 2025-2026**

4th June 2026

Ref: LCC 25-167

LCC Auditor: Claire Tilley

**Local Council Consultancy (LCC)
Collar Factory, Suite 2.03
112 St. Augustine Street
Taunton
Somerset
TA1 1QN**

**Email: consultancy@localcouncilconsultancy.co.uk
Website: www.localcouncilconsultancy.co.uk**

To Kidderminster Town Council

I performed my final remote audit on the 4th June 2026, to review the Annual Accounting Statements, accounts in general and further review of my previous interim findings. I would like to thank Hugh and his colleagues for their assistance in proving the required documentation. The Town Council has undergone many changes this year- due to the redevelopment of the Town Hall, which has not surprisingly, had an impact on Finances. The CEO is fully aware of these implications and provided a thorough explanation of the variances that appear on the Accounting Statements this year.

This report brings together my findings from the two Interim Audits I conducted- first remotely, on the 13th February 2025 and then in person on the 27th of February 2026.

BASIS OF REPORT

This internal audit report is based upon the Smaller Authorities Proper Practices Panel (formerly the Joint Panel on Accountability and Governance) [Practitioners' Guide 2025](#) publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

Please note it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: *Practitioners' Guide 2025* – Section 4).

Cont.

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|---|-----------------------------|
| A | Bookkeeping Arrangements | Appropriate books of account have been kept properly throughout the year and are well kept with sound audit trails. In 2025-2026 the Council finances were administered by Wye Forest District Council. I was provided with a cashbook of transactions. In 2026-2027, the accounts are moving in house, which is recommended. | |
| A | Minutes | Minutes for the year are complete and have been signed / initialled as approved by the Chair of the following meeting. | |
| B | Council's Financial Regulations and Standing Orders are in place and were reviewed | The Council's Financial Regulations were reviewed at a meeting on 25 th June 2025 The Council's Standing Orders were reviewed at a meeting on 22 nd 2025 | |
| B | Council's Financial Regulations have been met with regard to expenditure following review of a random sample of transactions | Invoices are submitted to the Council and retained electronically, with Members receiving a retrospective schedule of payments for approval. Sample testing confirmed that expenditure was appropriately authorised, supported by invoices where available, and that VAT had been correctly accounted for. | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---------------------|--|---|
| | | <p>Whilst approximately 140 expenditure transactions were identified where supporting invoices were not available, this represented a relatively small proportion of the Council's overall expenditure activity and was largely confined to low-value routine purchases and invoices not retained from supplier portals. Although this represents a weakness in document retention procedures, there was no evidence from the sample testing undertaken to indicate a systemic failure to comply with the Council's Financial Regulations.</p> | <p><i>The Council should continue to strengthen its procedures for obtaining and retaining supporting documentation for all expenditure transactions, including debit card purchases and invoices accessed through supplier portals. This will ensure a complete audit trail is maintained, improve transparency, and support compliance with the Council's Financial Regulations. The Council has already recognised this issue and has implemented measures intended to improve invoice retention going forward</i></p> |
| B | Payment process | <p>Purchase Orders and Invoices to customers are raised in house then sent to the District for input and payment.</p> | <p><i>As accounts are now moving in house- it is recommended that the Council review bank mandate and payment processes</i></p> |
| B | Debit card payments | <p>Five bank cards are currently issued to members of staff for the purchase of small incidental items. During the in person review, several instances were identified where receipts were not available to support expenditure.</p> | <p><i>To strengthen financial control and accountability, adopt a debit card policy to clarify use and controls in consideration of the following.</i></p> <p><i>1.Reduce the number of bank cards in circulation and ensure retain and submit receipts, together with clear guidance on authorised expenditure.</i></p> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|-----------------------------|---|--|
| | | I note this was mentioned in the previous Internal Audit as well. | <p>2. Introduce a petty cash system supported by an appropriate policy and defined procedures for recording, monitoring, and reconciling expenditure.</p> <p>3. Establishing accounts with frequently used local suppliers to minimise the need for ad hoc purchases using bank cards.</p> |
| B | Review of S137 expenditure | No s137- the Council has General Power of Competence | |
| B | General Power of Competence | The Council adopted GPC at the first meeting after the elections in 2024, having met the criteria of two thirds elected Councillors and a CiLCA qualified Clerk. | |
| C | Review of Internal Controls | During 2025-26 there was no specific Internal Control Policy – but indirectly a review is conducted. | <i>The earlier Internal Audit recommendation to adopt a Policy was actioned and a policy is in place -April 2026</i> |
| C | Risk Management | The Council has assessed the significant risks to achieving its objectives using their Risk Assessment; the document was reviewed and discussed adopted at a Finance ad Overview meeting on 22 nd January 2026 and has been published. | |
| C | Review of insurance | Insurance was renewed on It is a sector specific policy, adequate for purposes, covers all assets, plus Employer and Public Liability. | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|--|---|
| C | Monitoring of Assets | The council has an entire Operations Services department and committee to look after council assets. | |
| D | 25/26 Precept receipt | The 25/26 Precept request matched the submission form to Council | |
| D | 26/27 Budget and Precept consideration | The 26/27 Precept requirement resulted from an adequate budgetary process which was agreed on by Full Council with the amount of £1,521,980 | |
| D | Budget monitoring | Progress against the budget was monitored and minuted regularly. | |
| D | Reserves were appropriate | Reserves were adequately accounted for. A Reserves Policy was adopted on 23 rd Feb 2023 | <i>Ensure this is reviewed annually. If this is the case update Policies on line to reflect this</i> |
| D | The final Outturn is in line with expectations | The final outturn was materially in line with expectations | |
| E | Income controls | Expected income was fully received and properly recorded. The correct Precept amounts were received and match the accounting statements and precept request A number of historic debts remain outstanding and are currently under review by the Council. Officers have | <i>The Council should review outstanding historic debts and, where recovery is no longer considered feasible, present these to Council for formal</i> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---------------------|---|--|
| | | identified these balances as potentially irrecoverable | <i>consideration and write-off in accordance with Financial Regulation 13.3.</i> |
| E | VAT | The Council is VAT registered; the appropriate quarterly VAT returns were submitted to HMRC | |
| F | Petty cash controls | <p>Although Petty Cash of £500 was in place, and shows in the bank reconciliation- the intention was to phase it out. This has not been practical. There has been some confusion over money being returned to the District Council.</p> <p>I understand that the amount has now been changed to two – one for £100 and the other £200 reduced to £100</p> | <i>As this is now moving in-house, I would expect a more robust system to be implemented</i> |
| G | Payroll controls | <p>Salaries are administered and paid by Wyre Forest District Council before the Council can review them. I therefore had limited access to the process, but would expect the District Council to administer payroll correctly. A payroll report was viewed.</p> <p>The Mayor currently sends an invoice for their allowance.</p> | <i>Fin Regs 7.2 state 'the Mayor's allowance (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.</i> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|---|---|
| | | I note from the Previous Internal Audit report that there were outstanding payments due to HMRC regarding Mayor Allowances - <i>the town council has communicated with HMRC regarding the way forward and HMRC have referred the issue to the Employer Technical Team</i> | <i>Please confirm whether this situation is now resolved</i> |
| G | HMRC Registration | The Council is registered with HMRC as an employer. Payments in respect of PAYE were verified. | |
| G | Payroll rates | The current hourly rate of pay is based on the 2025/26 NJC National Salary Award (issued July 2025) [which have been applied and back pay made in October 2025] | |
| G | Home Working Allowance | The HMRC agreed amount of Home Working Allowance of £6 a week is not paid as staff work from Council office | |
| G | Pensions Regulator | The Council is registered and in compliance with the Pensions Regulator – the re-declaration was made 1 st November 2023 | |
| H | Asset Controls - all material assets correctly recorded | The current asset register-approved on 16 th April 2026 correctly records all material assets at purchase cost. The value on the Accounting Statements is | <i>It is better to approve the asset register within the financial year in question</i> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|---|--|
| | | that of the register as of 31-3-26 | |
| H | Asset Controls - all additions correctly recorded | Purchases and acquisitions within 2025/2026 have been recorded | |
| H | Asset Controls - all Deeds and Titles have been established and shown on register | All appropriate Deeds and Titles have been established and are shown on the Register. | |
| H | Investment Registers | The Investment Strategy in place- states that Council has £100K in CCLA Jan 2023 However, on discussion, it was revealed that there is only £1000 in there | <i>Please update the Investment Strategy document to reflect the current situation and review annually</i> |
| H | Loans | The Council has a Public Works and Loans Board Loan – current value £3,069,385 The correct payments have been made. Reserves Policy states they have an agreement to draw down a loan of £500K PWLB In January, the Finance Minutes state a drawdown of £450K to occur | <i>Please review the Reserves Policy annually to take into account current circumstances</i> |
| I | Bank Reconciliations | Periodic and year-end reconciliations were properly conducted and reviewed. | |
| J | Accounting Statements | The Accounting Statements prepared during the year were prepared on Income and Expenditure accounting basis and were supported by an adequate audit trail. | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|---|-----------------------------|
| J | AGAR Accounting Statements | Line 2 matched the Precept amount. | |
| J | AGAR Accounting Statements | Lines 2 and 3 equal the total receipts in the cashbook. | |
| J | AGAR Accounting Statements | Line 4 only contains staff costs. | |
| J | AGAR Accounting Statements | Lines 4, 5 and 6 equal the total payments in the cashbook | |
| J | AGAR Accounting Statements | Year-end bank statements match line 8 of the Accounting Statement. | |
| J | AGAR Accounting Statements | Line 9 agrees to the value of the asset register | |
| K | Limited Assurance Review Exemption 24/25 | The Council did not meet the exemption criteria for the year 24/25. | |
| L | Information published on website- | While the Council does not fall into the criteria for Councils below the £25k threshold, transparency-code-for-smaller-authorities it is good practice for Town Councils above the threshold to comply- and has done so | |
| L | The Council is in compliance with the The Accounts and Audit Regulations 2015 | The Council has five years of AGARs and associated documents published. | |
| L | Compliance with the local-government-transparency-code-2015 turnover exceeding £200K) | As the council have a turnover exceeding £200,000 they need to follow the Local Government Transparency | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|---|--|
| | | Code 2015- where applicable. | |
| L | Expenditure over £500 is recorded on the Council website and with all information requirements | All cashbook transactions appear as Appendices to the Finance & Oversight Committee Agendas | <i>Better practice to produce a separate quarterly table showing expenditure over £500 (not staff costs) in accordance with guidelines</i> |
| L | Tender for contracts above £5K and Government procurement | Non on website- although there is a page for 'Accounts, Policies and Tenders' | <i>If no contracts are currently in place, it may be helpful to state this on the relevant page rather than leaving it blank.</i> |
| L | Register of Assets | Asset register not published | <i>Publish annually</i> |
| L | Organisational chart and staff salaries | No organisational chart apparent on website | <i>See guidance</i> |
| L | Grants Awarded | Grants appear on cash book, but no specific detail on website | <i>See guidance</i> |
| M | Exercise of Public Rights for 24/25 | The Council published the exercise of public rights notice on the website and noticeboard with the following dates: 30 th June 2025 to 8 th August 2025 The notice was dated: 27 th June 2025 | <i>Recommend that the dates are also Minuted when AGAR is approved</i> |
| N | AGAR publication Requirements | Full Council approved the AGAR and complied with the publication requirements for the 24/25 AGAR by publishing Sections 1 and 2. They were approved on the 25 th June 2025 Min ref 17 C and D | |
| N | 24/25 Internal Audit has been published and the recommendations have | The AIAR has not been published on the website- | <i>It is good practice to publish the AIAR and written narrative report</i> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|--|-----------------------------|
| | been considered and actioned | per se, but is not currently a mandatory requirement. Findings had been reviewed | |
| N | 24/25 Conclusion of Audit Notice | The Conclusion of Audit was received by Council on the 24 th October and published on the 25 th October, due to a delay from External Auditors | |
| N | 24/25 External Audit Certificate has been published and the recommendations have been considered and actioned | <p>External Auditors and published on the website on the 25th October, and was presented at the next Full Council meeting on the 28th January.</p> <p>Findings: Findings: Sec 1 Assertion 5 incorrectly completed as no Risk review carried out. <i>A review has been completed this year.</i></p> <p>Sec 2- Box 4 contained non-staff costs. However, the External Auditors advisory figures are incorrect. <i>The Council have correctly restated Box 4 and Box 6.</i></p> <p>The report also stated that 'it failed to make proper provision during the year 2025/26 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual</p> | |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|--|---|--|
| | | <p>Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27.</p> <p><i>The published notice on the Council website was dated 27th June 2025, for an inspection period of 30th June to 8th August, so the Council did make proper provision for the year the AGAR covered- ie 2024-2025.</i></p> <p><i>2025/2026 provision will be made June 2026.</i></p> | <p>Council can answer yes to Assertion 4.</p> |
| O | Website domain name and accessibility | <p>The Council has an authority owned domain name: https://www.kidderminstertowncouncil.gov.uk/</p> <p>The website has an Accessibility Statement dated: 19th Feb 2026</p> <p>The Council has published a Privacy Notice</p> | |
| O | Authority owned email accounts to align with GDPR principles | <p>The Council has council-owned domain email accounts for the Clerk and Councillors which are in use.</p> | |
| O | IT Policy | <p>The Council adopted an IT Policy in January 2026 which demonstrates protection of equipment</p> | <p><i>Ensure Policies available on line have adoption and reviewed dates</i></p> |

| Annual Return Section | Process | Findings | Recommendations and actions |
|-----------------------|---|--|--|
| | | and mandates for authority owned email accounts. | |
| O | Data protection | The Council is registered with the ICO reference ZA179595 has a data protection policy in place readopted: February 2023 | <i>The Council should review and update its Data Protection Policy and introduce supporting documentation, including a Privacy Notice, Data Retention Schedule and Subject Access Request Procedure, to strengthen its data governance framework and provide clearer evidence of compliance with Internal Control Objective O.</i> |
| [P] | Trust funds (If applicable) – the Council met its responsibilities as a trustee | <p>The Parish Council operates as a Sole Trustee for the Kidderminster Educational Foundation- Charity number 527537. Filing of Accounts are stated as not required, due to levels of sums held.</p> <p>The Annual returns for 2022 and 2024 are showing as not filed with the Chrity Commission</p> | <p><i>Recommend the overdue returns are filed. Monitor levels of income- if exceed £25K accounts must be filed.</i></p> <p><i>Please note that line 11 of the Accounting statements will change next year relating to trust transactions from 'exclude' to 'include'.</i></p> |

Further Recommendations:

Following the completion of the Internal Audit, the Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015. A blank form can be supplied.

Conclusion

The above are recommendations to help the Council improve its processes and in no way detract from the work it, the CEO and staff have already done. I have noted that many of the actions which the previous auditor recommended last year have been completed; the staff and Council should be commended for this.

Kidderminster Town Council has an electorate in the region of 77,000 and the Precept for the year 2025/2026 was set at £1,224,286

In general, I believe that the Council has competent arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good. I was able to agree that all of the relevant Internal Objectives, except L- publication requirements, have been met.

This report should be noted and taken to the next meeting of the Council for minuting to inform them of the Internal Audit work conducted.

I hope that this report is of help to the Council. If you would like any further help or clarification, please do contact me.



Claire Tilley CiLCA PIALC
Internal Auditor

Figures presented to me at the time of Audit for Section 2

| | Year ending 31 March 2025 | Year ending 31 March 2026 |
|--|------------------------------|------------------------------|
| 1. Balances brought forward | 1,251,968 | 1,332,502 |
| 2. Annual precept | 1,024,716 | 1,224,286 |
| 3. Total other receipts | 7,943,283 | 2,451,184 |
| 4. Staff costs | 363,495 | 509,965 |
| 5. Loan interest/capital repayments | 109,605 | 119,689 |
| 6. Total other payments | 8,414,365 | 3,868,774 |
| 7. Balances carried forward | 1,332,502 | 509,544 |
| 8. Total cash and investments | 2,069,518 | 533,645 |
| 9. Total fixed assets and long-term assets | 227,541 | 350,642 |
| 10. Total borrowings | 1,971,353 | 3,069,385 |

**KIDDERMINSTER TOWN COUNCIL
FINANCE AND OVERVIEW COMMITTEE**

**Minutes of the meeting held on 15th April 2026 in the
Council Chamber, Kidderminster Town Hall**

Present: Councillors: Steve Hollands (Chair), John Beckingham, Liam Carroll, George Connolly (substitute), Bernadette Connor, Doug Hine, Fran Oborski and Mary Rayner.

In Attendance: Hugh Peacocke, Chief Executive Officer (CEO)
Christopher Pugh, Corporate Services Manager
Kate Sexton, Accounts Officer

The meeting welcomed Ms. Kate Sexton who commenced employment with the Council on 2nd March 2026 as Accounts Officer.

APOLOGIES FOR ABSENCE: Councillors Helen Dyke and John Beckingham.

ABSENT: None

58. DECLARATIONS OF INTEREST

None

59. PUBLIC QUESTION TIME

Nil

60. MINUTES

RESOLVED: That the minutes of the previous meeting held on 22nd January 2026 be approved as a true record and signed by the Chair.

61. Approval of Accounts

The CEO presented details of income the Council received from 1st January to 31st March 2026.

The income (appendix 2.1) totalled £1,166,695.30 and included £480,000 in funds transfers from the Council's Premium account.

Of the remaining £686, 695.30:

- £349,878 received from the Public Works loan Board towards the Town Hall Transformation Project,
- £59,779 VAT refund from HMRC,
- £56,984 insurance payment towards storm damage to the Town Hall Roof
- Over £200,000 from Town Hall events and ticket sales.

The meeting complimented the Town Hall team on the strong returns on events.

A member raised a query re seating and evacuation arrangements, which would be referred to the team.

The expenditure for the quarter totalled £790,810.86 (including VAT). Concern was expressed regarding small unaccounted payments which still appeared on the lists. The CEO presented further information and advised the meeting that steps were being taken to address these matters, including:

- Setting up accounts in some local stores.
- Petty cash for smaller payments and
- Amazon password changed

He further reported that the accounting responsibility has now shifted from the District Council to the Town Council, which would ensure better communications between budget holders and accounting officers.

RESOLVED: To approve payments totalling £790,810.86 (including VAT) over the period from 1st January 2026 to 31st March 2026.

62. Budget monitoring

62.1 The meeting reviewed the Council's income and expenditure from 1st April 2025 to 31st March 2026 against budgets set for 2025-26.

The following over expenditures were approved:

- Town Hall re-opening costs: £191,759 (Budget of £100,000)
- ICT Support- £15,183
- Finance Support- £11,054
- Public conveniences repairs- £2,608
- Allotments- repairs to watermain- £5,815
- Insurances £30,481 (Town Hall unoccupied)

62.2 Earmarked reserves at 31.03.26 approved

62.3 Two bad debts written off (SWW Wrestling: £609.60 and Old Swinsford Primary School: £13.78)

63. BANK RECONCILIATIONS

The Committee received the Bank reconciliations for January, February and March 2026.

- | | |
|--------------|-------------|
| - 31/1/2026: | £564,240.62 |
| - 28/2/2026: | £323,729.53 |
| - 31/3/2026: | £534,045.22 |

64. Internal Auditor's Report

The Committee received the first interim Internal Audit report for 2025-26, prepared by LCC Consultancies.

The CEO set out the Council's proposed responses to the points raised in the report, which were also included in the report.

The Committee recommended that the system of internal control be approved at Full Council 22/4/2026.

It was noted that the annual review of internal controls would be approved at Full Council on 11/6/2026.

Resolved:

To receive the interim Internal audit report for 2025-26, and

To Approve the Council's response and the actions set out in the report.

65. Quarterly Vision Action Plan reports

The meeting received the Action Plan report and welcomed the progress being made on the various objectives in the Council's Vision/ Strategy 2025-2029. It was noted that 2 items were red flagged- In Bloom and the Community Awards. The CEO pointed out that these matters had not been included in the Council's budget 2026-27 and Members agreed that the objectives in these matters should be reviewed by Full Council on 22/4/2026.

66. Strategic Risk Register

The CEO presented the Strategic Risk Register at 31st March 2026.

RESOLVED: To approve the Strategic Risk register at 1st April 2026 and to recommend that Full Council approve the register on 22/4/2026

67. Asset Register

The CEO presented the Asset Register at 31st March 2026. The Committee noted the Nominal Valuations shown against assets which had been transferred from the District Council and the replacement/ insurance valuations recorded against them. The meeting agreed to continue the policy of self-insuring playground equipment.

A member queried the value of contents at the Tennis Club and the justification for insuring the premises. There was also concern about public access to the club's facilities, which the CEO said was a matter being considered by the Services Committee.

RESOLVED: To approve the Asset register at 31st March 2026.

68. Forward Work Programme

Received and noted.

CEO to convene the Climate Emergency Working Group before the end of May.

The Meeting closed at 7.30 pm.

Signed: _____
Chairman

Date: _____

APPENDIX 1

Terms and Conditions for the Provision of Consultancy Services – LCC 25-167

Customer: Kidderminster Town Council

Supplier: SLCC Enterprises Ltd trading as “Local Council Consultancy”

Description of Services

LCC would provide an internal audit service for Kidderminster Town Council for 2025-26 to include 3 visits to undertake the following:

1. Check policies and procedures- **Remote support – November/December**
2. Full paper audit and payroll assessment – **In person visit February/March**
3. Year-end accounts and AGAR completion. Submission of a full written report. **Remote support - late May/early June dependent on date of meeting**

The LCC Associate assigned to this work would be Claire Tilley.

The role as the Internal Auditor is to be a ‘critical friend’. They would look through the Town Council’s processes and procedures and, where necessary, would make recommendations which would help improve the Council’s governance. Some of these recommendations would be long-term goals, others may need to be implemented more quickly, but the Internal Auditor would be available as part of the Audit process to help guide the Council through what is needed.

The following confirms the basis on which LCC would provide services to the Council to avoid any misunderstandings of respective responsibilities.

1. Internal Audit of the Council

- a. The primary objectives of Internal Audit are:
 - i. to review, appraise and report upon the adequacy of governance and internal control systems operating throughout the Council. To achieve this the Internal Auditor would adopt a predominantly systems-based approach to the audit;
 - ii. to carry out an annual inspection of the books and records of the Council.

The Council is responsible for supplying all documents requested.

- b. Timescales for the effective and efficient method of completing the audit would be as follows:
 - i. ensure that the process laid down within this proposal is acceptable;
 - ii. sign the Terms and Conditions attached to this proposal at Appendix 1 and return by email to consultancy@localcouncilconsultancy.co.uk.
- c. A checklist would then be forwarded to the Council. This should be completed and returned to the Internal Auditor with any documents requested by the date specified by the Auditor. This would then be reviewed prior to the review meeting.
- d. Review meetings would then be arranged, to discuss the completed checklist and clarify any queries. If further meetings are required, these may be chargeable.

- e. The draft, electronic, editable, version, of the AGAR must be sent to the Internal Auditor **by 15th May**
- f. The Internal Auditor would check the final Accounting Statement figures (Section 2) of the AGAR. Provided all is in order, the Internal Auditor would then complete the Internal Audit section and return it both electronically and by post.

Note: please do not complete Section 1 of the AGAR until the Council meeting to consider the AGAR.

- g. A narrative report will be issued with the Internal Audit section of the AGAR with any action points.
- h. If timescales are not observed by the Council, this would attract extra charges over and above the quoted fee as laid down below.

2. Scope of Work

Predominantly Internal Audit would review the governance of the Council culminating in the completion of the Internal Audit Report as stated above. The Internal Auditor would identify if the following key areas are in place and working satisfactorily.

- a. Proper Book-keeping
- b. Payment controls in relation to Financial Regulations
- c. Review of the Internal Controls, which will include:
 - i. The Parish Risk Management Assessment;
 - ii. Review of the effectiveness of Internal Financial Control;
 - iii. An overall review of the Council's Internal Controls.
- d. Budgetary controls
- e. Income controls
- f. Petty Cash procedures (if applicable)
- g. Payroll controls
- h. Asset controls
- i. Bank reconciliations
- j. Accounting statements and application of Spending Powers
- k. Exemption criteria (if applicable)
- l. Website and transparency code
- m. Public Rights notice and dates
- n. Publication of previous AGAR
- o. Review of the status of Trusts (if applicable)
- p. Policies review
- q. Review and completeness of minutes
- r. General governance
- s. Review and completeness of audit action plans
- t. Year End procedures, which will include:
 - i. Financial Statements review;
 - ii. Review of Council balances;

- iii. Analytical Review;
- iv. Annual Return review.

3. Roles and Responsibilities

The role of an Internal Auditor is one of independence. The Internal Auditor must make it clear that they can in no way involve themselves in the financial decision-making, appointments or any other areas that may give rise to conflicts of interest.

4. The Council Responsibilities

The Responsible Financial Officer / Proper Officer, together with the Council, have clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and the prevention of Fraud and Corruption.

The existence of Internal Audit does not diminish the responsibility of the Council to establish systems of internal control to ensure that activities are conducted in a secure and well-ordered manner.

5. Fees and Charges

Audit Fees will be based on Precept or projected income and expenditure - whichever is highest – and will be subject to an additional LCC Administration Fee. The LCC Administration Fee will be payable on invoice issued by LCC on signature of the Terms and Conditions by the Council (and annually thereafter for a 2 or 3-year agreement). Payment of the Audit Fee is required on invoice issued by LCC on completion of the audit.

All fees and charges specified in the table below are per annum.

| | |
|---|---------|
| LCC Administration Fee (per annum) | 100.00 |
| Audit Fee: Precept / Income or Expenditure | |
| Under £25,000 | £210.00 |
| £25,001 - £50,000 | £250.00 |
| £50,001 - £100,000 | £300.00 |
| £100,001 – £150,000 | £420.00 |
| £150,001 – £200,000 | £500.00 |
| Above £200,000 | £850.00 |

The above fees are on the understanding that all requests for documents and responses to the Internal Audit checklist are provided by the Council within the required timescales.

| | |
|---|-----------------------|
| Additional Charges may be incurred | |
| Late submission of documents, including the AGAR (no later than 31 May) | £75.00 surcharge |
| Mileage | £0.45 per mile |
| Additional meetings (see 1 d. above) | £35.00 per hour |
| Attendance at a Council meeting | £70.00 (plus mileage) |

6. Requests for attendance at Council Meetings

The Internal Auditor would be happy to meet Councillors given reasonable notice, if convenient, either online or in person with an additional charge. This would give the Council an opportunity to ask questions, clarify the scope and nature of the work undertaken and to make the Internal Auditor aware of any issues that may be relevant as the cycle of Internal Audit progresses.

A nominal cost for this service is charged at £70 plus mileage.

7. Request for work outside the scope of Paragraphs 1 to 3

Any such request for extra audit time to be provided would be discussed at the time and would be subject to an appendix agreement.

8. Agreement of terms

Once agreed, the Terms and Conditions (Appendix 1) will remain effective from the date of signature until it is replaced. Either party may vary or terminate the Internal Auditor's authority to act on the Council's behalf at any time; however, if work has already been undertaken, a charge for the work so far, would be made. Notice of termination must be given in writing to LCC.

Terms of the Service

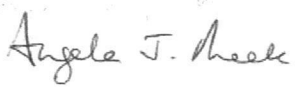
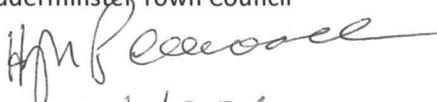
The Supplier will indemnify the Customer for the service provided and will deliver the support set out in the description of services. The total costs of the service will be in accordance with Section 5 "Fees and Charges", excluding VAT. Mileage if required will be charged at £0.45 per mile.

Conduct of the Consultant and the Supplier

The Associate will abide by the SLCC Code of Conduct and will have their own professional indemnity insurance. The customer agrees to offer the necessary assistance and support to the Associate in the completion of their work and that their Officers and Members will abide by their own Codes of Conduct. The Head of LCC should be contacted in the event of any issues which cannot be resolved by the Customer and the Associate.

Acceptance of Quote

The Customer accepts the quote and the Terms Conditions set out above and the Supplier undertakes to deliver the services herein described. Please quote reference LCC 25-167 in all correspondence.

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| <p>Signed for Local Council Consultancy</p>  <p>Name: Angela Meek Date: 18 November 2025</p> | <p>Signed Kidderminster Town Council</p> <p>Name: </p> <p>Date: 23/11/2026</p> <p>Internal Audit Service for 2025-26 and until further notice accepted. (*please delete as appropriate)</p> |
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