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### **Internal Audit Report for Tolleshunt Knights Parish Council**

I am pleased to report that I have completed my Internal Audit for the Parish Council for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. The Audit was carried out on 24<sup>th</sup> May 2024.

Members should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which are the responsibility of the Members of the Council to guard against.

Members will be pleased to know that I did not find anything major in my audit to report and that I found the record keeping to be of an extremely high standard.

I would like to record my appreciation to the Clerk of the Council, Miss Vysian Banyard for her invaluable assistance during the Internal Audit.

*Ann C Wood*

Ann C. Wood LL.B.Hons, DMS, Cert.HE  
8<sup>th</sup> June 2024

### **Items Raised by the 2022/2023 Internal Audit**

1. The Council should investigate a Reserves Policy to include earmarked reserves
2. The Council's Asset Register was not reviewed during the year under review

### **Items Raised by the 2023/2024 Internal Audit**

1. It should be noted that there should be no variation in Box 9 of the AGAR from year to year unless assets have been bought or disposed of. The Council decided to move to a depreciation register and the Clerk has been told that this is incorrect and the matter will be re-considered by the Council. Depreciation is not used in Local Government accounting.
2. There are no earmarked reserves identified. The Council should investigate a Reserves Policy to include earmarked reserves

<b>Accounting Basis</b>	<b>Receipts and Payments</b>		
Bank Accounts	Barclays – Current Account 93989046		As at 31 <sup>st</sup> March 2024 - £19942.59
Petty Cash	Not Applicable		
Income			Precept - £10800.00
			This agrees to the figure published by PKF Littlejohn
			Other Income - £1826.35
			This includes VAT refunds, football fees, playing field hire and other income
VAT	The Council is not registered for VAT		VAT claims were made on 3 <sup>rd</sup> April 2023, 7 <sup>th</sup> November 2023 and 25 <sup>th</sup> March 2024 and were reported in the monthly finance reports to the Council
ICO Registration	Data Protection Registration - ZA221769		Registered 7 <sup>th</sup> December 2016. Expires 6 <sup>th</sup> December 2024

<b>Internal Control</b>	<b>Testing</b>		<b>Comments</b>
Proper bookkeeping	• Is the cashbook maintained and up to date?	Yes	The Council uses a Excel spreadsheet to manage the accounts and the cashbook is kept up to date.
	• Is the cashbook arithmetic correct?	Yes	
	• Is the cashbook regularly balanced?	Yes	The bank balances are noted at each meeting with monthly income and expenditure comparison reports

Standing Orders and Financial Regulations adopted	Has the Council formally adopted standing orders and financial regulations?	Yes	From reading the minutes for the year, the Standing Orders were not reviewed  Financial Regulations were reviewed on 18 <sup>th</sup> September 2023 at item 3559.01
Tenders	Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website	N/A	
Other Policies	Has the Council formally adopted other policies?	Yes	A list of policies is available on the website
	Has a Responsible Financial Officer been appointed with specific duties?	Yes	The current Clerk has a contract of employment dated 19 <sup>th</sup> May 2014 and there is specific mention of the appointment as RFO
Payments Controls	Have items or services above the de minimus amount been competitively purchased?	N/A	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	All vouchers were present and a sample was completed. The invoice was initialled by two councillors and minuted
	Has VAT on payments been identified, recorded and reclaimed?	Yes	Three claims were made during the year and were repaid, recorded and minuted
	Is s137 expenditure separately recorded and within statutory limits?	Yes	There is a separate column in the accounts for Grants

Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No	The minutes of the Council meetings for the year 2023/2024 were read and no unusual financial activity was noted
	Do the minutes record the council carrying out an annual risk assessment?	Yes	A financial/reputational risk assessment was carried out during the year and was agreed on 15 <sup>th</sup> January 2024 at item 3616.01 Risk assessment should include reference to the General Data Protection Regulations 2018
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Aviva Insurance Ltd

			<p>through BHIB Ltd insurance brokers. Policy Number 100723637BDN/LCO00583. The policy has been seen. ELI and PLI are both at £10 million</p> <p>Fidelity Cover = recommended guidelines of year end balances + 50% of the precept</p>
	Are internal financial controls documented and regularly reviewed?	Yes	An Internal Financial Control document has been approved and adopted
	Has the council adopted a Code of Conduct?	Yes	The Council adopted the (LGA) Maldon District Council Code of Conduct on 25 <sup>th</sup> July 2022 at item 3362/01
	Was the Annual Parish Council Meeting held within the prescribed timeframe?	Yes	The Parish Council must meet annually. In an election year, this must be on the day when the councillors take office or within 14 days, or on any day in May in any other year. The meeting was held on 15 <sup>th</sup> May 2023 and the first item 3485/01 was the election of the Chairman.
	Was the Annual Parish Meeting held within the prescribed timeframe?	Yes	A Parish Meeting must be held annually between 1 <sup>st</sup> March and 1 <sup>st</sup> June (both inclusive). The Annual Assembly took place on 17 <sup>th</sup> April 2023

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 3424.01 on 19 <sup>th</sup> December 2022 The Precept was agreed on the same date at the same item at £10800.00
	Is actual expenditure against the budget regularly reported to the council?	Yes	Financial reports are noted at each meeting
	Are there any significant unexplained variances from budget?	No	Any variances in budget are explained in the Annual Accounts

Income Controls	Is income properly recorded and promptly banked?	Yes	Income payments are made directly into the council's account either by online transfer or BACS. Any cheques received are promptly banked
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	£10800.00
	Are security controls over cash and near-cash adequate and effective?	Yes	See above

Petty cash procedures	The Council does not operate a petty cash system	N/A	
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Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes	The Clerk is the only employee and a contract of employment has been seen. The Clerk was appointed in 2004 as the RFO as well
	Do salaries paid agree with those approved by the Council?	Yes	
	Are other payments to employees reasonable and approved by the Council?	Yes	The Council pays an office allowance for the Clerk
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes	The Clerk submits RTI electronically and by post
Assets controls	Does the council maintain a register of all material assets owned or in its care?	Yes	The Register was reviewed at item 3501.01 on 15 <sup>th</sup> May 2023
	Are the assets and Investments registers up to date?	Yes	It should be noted that the asset value listed in the Asset Register should be the same as that recorded on the AGAR. The Council decided to move to a depreciation register and the Clerk has been told that this is incorrect and the matter will be re-considered by the Council  It should also be noted that there should be no variation in Box 9 of the AGAR from year to year

			unless assets have been bought or disposed of
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Bank Reconciliation	Is there a bank reconciliation for each account?	Yes	The Council only has one bank account
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	Bank reconciliations are reported to the Council meetings
	Are there any unexplained balancing entries in any reconciliation?	No	

Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes	Accounts are prepared on a Receipts and Payments basis, as the Council is below the £200,000.00 threshold
	Do the accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes	The vouchers were present and a sample was taken and agreed
	Where appropriate, have debtors and creditors been properly recorded?	N/A	
	Were the Annual Accounts, the Annual Governance Statement and Annual Accounts and Accounting Statement signed by the Council?	No	Year End 31 <sup>st</sup> March 2024 AGAR Statements were completed but are still to be presented to the Council, agreed and signed
	Is there a Certificate of Exemption?	Yes	The Certificate of Exemption was completed but has not yet been agreed by the Council

Auditor's Reports	Was the Internal Auditor's Report reported to the Council?	Yes	A written report was considered by the Council at item 3515.01 on 19 <sup>th</sup> June 2023
	Was the External Auditor's Report reported to the Council?	N/A	The Council is exempt from a review by the External Auditor under Section 9 Local Audit (Smaller Authorities) Regulations 2015

Fees	Does the Council Review its fees on a regular basis?	N/A	The only fees charged are for hire of the Playing Field and these are agreed at the time of the request to hire
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General Power of Competence	Does the Council have the General Power of Competence?	No	The Council operates under S137 LGA 1972
LCAS	Has the Council attained any of the LCAS levels?	No	
Reserves	Are the general reserves reasonable for the activities of the Council?	No	The reserves are significantly higher than the recommended level and the reason for this is that the Council is holding money for potential tree work
	Are earmarked reserves identified?	No	There are no earmarked reserves identified. The Council should investigate a Reserves Policy to include earmarked reserves
Sole Trustee	Is the Council a sole trustee of any charity?	No	
Grants to the Church	A grant was made to St Luke's PCC during the year under review	Yes	