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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 $1^{st}$ April 2025 to $31^{st}$ March 2026. The Audit was carried out on $23^{rd}$ April 2026.

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.

I found some issues that need to be addressed by the Council in the current year, as a matter of urgency. I found the record keeping to be of a very good standard.

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

Ann C Wood

Ann C. Wood LL.B.Hons, DMS, Cert.HE., PIALC
$8^{th}$ May 2026

**Items Raised by the 2024/2025 Audit**

1. The Council has not adopted a Biodiversity Policy, which has been a legal requirement since January 2024. The Council should consider this as a priority item.

**Items Raised by the 2025/2026 Audit**

1. The Standing Orders were not reviewed in the audit year. The Standing Orders and Financial Regulations must be reviewed annually and minuted

2. There is no evidence that the Council has adopted an IT Policy. The Council needs to check that the accessibility of its website is compliant with WCAG 2.2 AA. The Data Protection Policy needs reviewing and a Privacy Notice needs to be adopted. The Council should consider adopting a Data Retention and Disposal Policy

3. The Internal Auditor's Report was reported to the Council at item 3857.01 on 16th June 2025 but no plan was minuted to deal with the issue raised

4. The Annual Parish Council meeting was held on 19th May 2025. However, there is no minute recording the election of the Chairman

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| **GENERAL** | | | |
| **Electorate** | 904<br>7 seats | | |
| **General Power of Competence** | Does the Council have the General Power of Competence?  And when was it adopted? | No | The Council operates under the LGA s137 |
| **LCAS** | Has the Council attained any of the LCAS levels? | No | |
| **Civility & Respect** | Is the Council a Civility and Respect Pledge Council? | No | |
| **ICO Registration** | Data Protection Registration Number – ZA221769 | Yes | Registered 7th December 2016.  Expires 6th December 2026 |
| **VAT Registration** | Is the Council registered for VAT? | No | |
| **Transparency Code** | Is the Council a smaller authority? | Yes | |
| **Committees** | Does the Council have committees and if so, are there terms of reference? | No | There are no committees |
| **Sole Trustee** | Is the Council a sole trustee of any charity? | No | |

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| **Accounting Basis** | **Receipts and Payments** | | |
| Bank Accounts | Barclays – Current Account 93989046 | | £20210.05 |
| Petty Cash | Not Applicable | | Expenses are reimbursed to the Clerk each month |
| Income | | | Precept - £17306.00<br>This agrees to the figure published by MHCLG<br>Other Income - £2236.57 |

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| | | | This includes VAT refund, playing field hire and other income |
| Reserves | Are the general reserves reasonable for the activities of the Council? | Yes | The General Reserves at £5210.05 are within the PKF Littlejohn recommended levels of 3-12 months expenditure |
| | Are earmarked reserves identified? | | Play area, tree works and the tree insurance claim |

| **Internal Control** | **Testing** | | **Comments** |
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| Proper bookkeeping | • Is the cashbook maintained and up to date? | Yes | The Council uses an 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 accounts spreadsheet, bank statement, bank reconciliation and income to expenditure comparison reports are noted at each meeting |

| **Governance and Policies** | | | |
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| Standing Orders and Financial Regulations | Has the Council formally adopted standing orders and financial regulations? | Yes | The Standing Orders were not reviewed in the audit year<br>The Financial Regulations were reviewed and adopted at item 3965.01 on 19th January 2026 |
| Biodiversity Policy | Has the Council adopted a Biodiversity Policy? | Yes | Adopted on 28th April 2025 and recorded as Minute Reference 3829.01 |
| IT Policy | Has the Council adopted an IT Policy? | No | |
| Publication Scheme | Does the Council have a Publication Scheme? | Yes | Adopted on 21st November 2016 |

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| Other Policies | Has the Council formally adopted other policies? | Yes | A list of polices is available on the website |
| Website and IT | Is the Council's website council owned, accessible and is the e.mail address generic? | Yes | The Council needs to check that the accessibility of its website is compliant with WCAG 2.2 AA |
| FOIA and Data Protection | Is the Council compliant with FOIA and Data Protection legislation? | No | The Council should consider adopting a Data Retention and Disposal Policy, reviewing its Data Protection Policy and adopting a Privacy Notice |

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| **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 | Two sample expenditures from June 2025 and December 2025 were checked and found to be correct |
| | Has VAT on payments been identified, recorded and reclaimed? | Yes | Two claims were made and the refunds received |
| | Is s137 expenditure separately recorded and within statutory limits? | Yes | |
| | Tenders exceeding the £30,000 (including VAT) threshold have been advertised on the Find A Tender/Contract Finder websites | N/A | |

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| **Risk management arrangements** | Does a review of the minutes identify any unusual financial activity? | No | The minutes of the Council meetings for the year 2025/2026 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 minuted at item 3985.01 on 16th February 2026 |
| | Is insurance cover appropriate and adequate? | Yes | The Council is insured with Ecclesiastical Insurance through Clear Councils Policy Number – 100723637BDN/LCO00583. The Policy has been seen |

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| | | | Employers Liability and Public Liability are both £10 million<br><br>Fidelity Cover = recommended guidelines of year end balances + 50% of the precept |
| | Are internal financial controls documented and regularly reviewed? | Yes | The Council has agreed an Internal Financial Control document |
| | Has the council adopted a Code of Conduct? | Yes | The Council adopted the (LGA) Maldon District Council Code of Conduct on 25th July 2022 at item 3362/01 |
| | Has the Council adopted a Publication Scheme, Data Protection Policy and Privacy Notice | No | The Data Protection Policy needs reviewing and a Privacy Notice need to be adopted |
| | 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 19th May 2025. There is no minute recording the election of the Chairman |
| | Was the Annual Parish Meeting held within the prescribed timeframe? | Yes | A Parish Meeting must be held annually between 1st March and 1st June (both inclusive). The Annual Assembly took place on 28th April 2025 |

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| **Budgetary Controls** | Has the council prepared an annual budget in support of its precept? | Yes | A budget was agreed at item 3766.01on 16th December 2024. The Precept was agreed on the same date at the same item |
| | Is actual expenditure against the budget regularly reported to the council? | Yes | The receipts and payments are presented to the Council and minuted monthly and a comparison of expenditure to budget is produced quarterly |
| | Are there any significant unexplained variances from budget? | No | Any variances in budget are explained in the Annual Accounts |

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| **Income Controls** | Is income properly recorded and promptly banked? | Yes | The income is recorded on the Excel spreadsheet. All income received is by BACS or bank transfer |
| | Does the precept recorded agree to the Council Tax authority's notification? | Yes | The recorded Precept agrees to the Council Tax Authority's notification |
| | Are security controls over cash and near-cash adequate and effective? | N/A | |
| | Does the Council Review its fees on a regular basis? | Yes | The fees are reviewed when an application is made for playing field hire |

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| **Petty cash procedures** | The Council does not operate a petty cash system | N/A | The payments to the Clerk for reimbursement of purchases during the year |

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| **Payroll Controls** | Has a Responsible Financial Officer been appointed with specific duties? | Yes | The current Clerk has a contract of employment dated 19th May 2014 and there is specific mention of the appointment as RFO |
| | Do all employees have contracts of employment with clear terms and conditions? | N/A | The Clerk is the only employee. The Clerk is paid a Home Office Allowance and is reimbursed for expenditure |
| | Do salaries paid agree with those approved by the Council? | Yes | The Council pays the NJC Pay Scales and these are reviewed each year |
| | Are other payments to employees reasonable and approved by the Council? | Yes | |
| | Has PAYE/NIC been properly operated by the Council as an employer including the issue of P60s? | Yes | The Council uses PAYE Basic Tools. Regular reports are made to HMRC using RTI |
| | Does the Council pay the Parish Basic Allowance? | No | |
| | Employer's HMRC Payroll Reference - 245/LA06757 | | |

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| **Asset Controls** | Does the council maintain a register of all material assets owned or in its care?<br><br>Are the assets and Investments registers up to date? | Yes<br><br>Yes | <br><br>The Asset Register was agreed at item 3999.01 on 16th March 2026, which considered the Register for the 2025/2026 year. The asset value listed in the Asset Register is the same as that recorded on the AGAR<br><br>The values used should not be those of the insurance. It should be noted that there should be no variation in Box 9 of the AGAR, unless assets have been bought or disposed of |

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| **Bank Reconciliation** | Is there a bank reconciliation for each account?<br><br>Is a bank reconciliation carried out regularly and in a timely fashion?<br><br>Are there any unexplained balancing entries in any reconciliation? | Yes<br><br>Yes<br><br>No | There is only one bank account |

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| **Year-end procedures** | Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?<br><br>Do the accounts agree with the cashbook?<br><br>Is there an audit trail from underlying financial records to the accounts?<br><br>Where appropriate, have debtors and creditors been properly recorded?<br><br>Were the Annual Accounts, the Annual Governance Statement and Annual Accounts and Accounting | Yes<br><br>Yes<br><br>Yes<br><br>N/A<br><br>No | Accounts are prepared on a Receipts and Payments basis, as the Council is below the £200,000.00 threshold<br><br><br><br>Sample payments were taken from June 2025 and December 2025 and were found to be correct<br><br><br><br>The AGAR for the Year End 31st March 2026 was partially completed but not signed, as it had |

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| | Statement signed by the Council?<br><br>Is there a Certificate of Exemption?<br><br>Has the Council published five years of the Annual Return (AGAR) on its website under The Accounts & Audit Regulations 2015?<br><br>Has the Council published the Notice of the period for the exercise of public rights under The Accounts & Audit Regulations 2015 on its website? | <br><br>Yes<br><br>Yes<br><br><br><br>Yes | not been presented to the Council<br><br><br><br><br><br><br><br>The period was 20th June 2025 – 1st August 2025 |

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| **Auditor's Reports** | Was the Internal Auditor's Report reported to the Council?<br><br>Was the External Auditor's Report reported to the Council? | Yes<br><br>N/A | The Internal Auditor's Report was reported to the Council at item 3857.01 on 16th June 2025 but no plan was minuted to deal with the issues raised<br><br>The Council is exempt from an External Auditor's Report |

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| **Loans** | Were any loans made to volunteer bodies during the year? | No | |
| | Are there any PWLB Loans outstanding? | No | |

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| **Co-option** | The co-option of members should appear on an agenda as a separate item for the Council | Yes | The Council has co-options as agenda items for consideration and they are minuted as such |
| **Grants** | Does the Council make any grants to the church? | No | |