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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 1st April 2024 to 31st March 2025. The Audit was carried out on 17th April 2025.

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 a very good standard.

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

Ann C Wood

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27th April 2025

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.

   Minuted at 3812.01 on 17th March 2025 that the Council has returned to compiling its Asset Register on local government terms

2. There are no earmarked reserves identified. The Council should investigate a Reserves Policy to include earmarked reserves

   The Council has now identified earmarked reserves for several projects and has a Reserves Policy

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.

GENERAL			
Electorate	873		
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	
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 2025
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	

Accounting Basis	**Receipts and Payments**		
Bank Account	Barclays – Current Account 93989046		£20478.08
Petty Cash	Not Applicable		Expenses are reimbursed to the Clerk each month
Income			Precept - £15000.00 This agrees to the published figure Other Income - £1616.36
Reserves	Are the general reserves reasonable for the activities of the Council?		This includes the VAT refund and pitch fees The General Reserves at £20478.08 are slightly higher than the PKF Littlejohn recommended levels of 50%-100% of precept. However, the Council has now identified earmarked reserves and does have a Reserves Policy
	Are earmarked reserves identified?		Yes - Play area, tree works and the tree insurance claim

Internal Control	**Testing**		**Comments**
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

Standing Orders and Financial Regulations	Has the Council formally adopted standing orders and financial regulations?	Yes	The Standing Orders were reviewed and adopted at item on 3798.01 on 17th February 2025 The Financial Regulations were reviewed and adopted at item 3783.01 on 20th February 2025
Biodiversity Policy	Has the Council adopted a Biodiversity Policy?	No	
Other Policies	Has the Council formally adopted other policies?	Yes	A list of polices is available on the website

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 2024 and February 2025 were checked and found to be correct against the bank statement and minutes
	Has VAT on payments been identified, recorded and reclaimed?	Yes	Claims were made on 22nd November 2024 and 16th March 2025
	Is s137 expenditure separately recorded and within statutory limits?	Yes	
	Tenders exceeding the £30,000 threshold have been advertised on the Contract Finders website	N/A	

Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No	The minutes of the Council meetings for the year 2024/2025 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 3798.01 on 17th February 2025
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Aviva Insurance Ltd through Clear Councils Policy Number – 100723637BDN/LCO00583. The Policy has been seen. The latter is part of a three-year long-term agreement expiring on 31st May 2025 Employers Liability and Public Liability are both £10 million 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 Data Protection Policy, a Privacy Notice and Publication Scheme?	Yes	The Council has a Publication Scheme and may wish to consider a Data Protection Policy and a Privacy Notice
	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 15th May 2024 and the first item 3661.01 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 1st March and 1st June (both inclusive). The Annual Assembly took place on 15th April 2024

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 3602.01 on 3rd January 2024 and a copy of the budget papers has been seen. The Precept was agreed on the same date at item 3603.01
	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 monthly
	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	The income is recorded on the Excel spreadsheet. Most income received is by BACS or bank transfer.
		Yes	The recorded Precept does agree to the Council

	Does the precept recorded agree to the Council Tax authority's notification?		Tax Authority's notification
	Are security controls over cash and near-cash adequate and effective?	Yes	
	Does the Council Review its fees on a regular basis?	Yes	The fees are reviewed each time a request for hire is received

Petty cash procedures	The Council does not operate a petty cash system	N/A	

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
	Are other payments to employees reasonable and approved by the Council?	Yes	The Council uses PAYE Basic
	Has PAYE/NIC been properly operated by the Council as an employer including the issue of P60s?	Yes	Regular payments are made to HMRC using RTI
	Does the Council pay the Parish Basic Allowance?		
	Employer's Reference – 245/LA06757	No	

Asset Controls	Does the council maintain a register of all material assets owned or in its care? Are the assets and Investments registers up to date?	Yes Yes	The Asset Register was agreed at item 3812.01 on 17th March 2025, which considered the Register for the 2024/2025 year. The Council has reverted to the use of historical purchase prices rather than depreciation 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

Bank Reconciliation	Is there a bank reconciliation for each account? Is a bank reconciliation carried out regularly and in a timely fashion? Are there any unexplained balancing entries in any reconciliation?	Yes Yes 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	Sample payments were taken from June 2024 and February 2025 and were found to be correct
	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	The AGAR for the Year End 31st March 2025 has been completed but has not yet been presented to the Council
	Is there a Certificate of Exemption?	Yes	
	Has the Council published five years of the Annual Return (AGAR) on its website under The Accounts & Audit Regulations 2015?	Yes	
	Has the Council published the Notice of the period for the exercise of public rights under The Accounts & Audit Regulations 2015 on its website?	Yes	

Auditor's Reports	Was the Internal Auditor's Report reported to the Council?	Yes	The Internal Auditor's Report was reported to the Council at item 11th June 2024 at item 3689.01 The Internal Auditor for 2024/2025 was appointed on 17th February 2025 at item 3797.01
	Was the External Auditor's Report reported to the Council?	N/A	The Council is not subject to the External Auditor

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

Co-option	The co-option of members should appear on an agenda as a separate item for the Council to action	Yes	The Council has co-options as separate agenda items and they are minuted as such
Grants	Does the Council make any grants to the church?	Yes	