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Internal Audit Report for Great Waltham 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 25th June 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, Will Adshead-Grant for his assistance during the Internal Audit.

Ann C Wood

Ann C. Wood LL.B.Hons, DMS, Cert.HE.
27th June 2025

Items Raised by the 2023/2024 Audit

1. The minutes do not show that a financial/ reputational risk assessment was carried out during the year. The Council must make certain that this issue is addressed every year
2. A Parish Meeting must be held annually between 1st March and 1st June (both inclusive). The Annual Assembly took place on 5th June 2023
3. The External Auditor's report was not considered by the Council. The Council must consider the External Auditor's report and if applicable note an action plan for dealing with any qualifications

The Council considered these matters and drew up a plan to deal with them

Items Raised by the 2024/2025 Audit

1. The Council's general reserves are higher than the amount recommended by PKF Littlejohn. The Council should consider whether further reserves should be earmarked
2. Currently a financial report which has comparison of spending to budget is currently only presented annually. The Council should consider making these reports at least quarterly but this should be monthly
3. The recommended guideline for the Council's Fidelity Cover is the year end balances + 50% of the Precept. The current cover is only £25000.00, which means that the Council is under insured. The Council should contact its insurers to discuss raising this amount

GENERAL			
Electorate	Approx 2000		
General Power of Competence	Does the Council have the General Power of Competence? And when was it adopted?	Yes	The Council does not operate under the LGA s137 as it adopted the General Power of Competence in May 2023
LCAS	Has the Council attained any of the LCAS levels?	Yes	Foundation
Civility & Respect	Is the Council a Civility and Respect Pledge Council?	No	
ICO Registration	Data Protection Registration Number – Z2154957	Yes	Registered on 17 th March 2010. Expires on 16 th March 2026
VAT Registration	Is the Council registered for VAT?	No	
Transparency Code	Is the Council a smaller authority?	No	
Committees	Does the Council have committees and if so, are there terms of reference?	Yes	
Sole Trustee	Is the Council a sole trustee of any charity?	No	

Accounting Basis	Receipts and Payments		
Bank Accounts	Unity Trust Bank – Current Account 20394204 Unity Trust Bank – Deposit Account 20394217		£1897.65 £56870.08
Petty Cash	Not Applicable		Expenses are reimbursed to the Clerk each month during the year under review and the Council is now considering a credit card

Income			<p>Precept - £104027.00</p> <p>This does not agree to the figure published by DLUHC, which is £104005.00. The Parish Council may wish to take this matter up with Chelmsford City Council</p> <p>Other Income - £16100.45</p> <p>This includes interest CIL Payments, VAT refund, pavilion hire, allotments, grant and other income</p>
Reserves	<p>Are the general reserves reasonable for the activities of the Council?</p> <p>Are earmarked reserves identified?</p>	<p>Yes</p>	<p>The General Reserves at £13917.73 are higher than the PKF Littlejohn recommended levels of 50%-100% of precept. The Council does have a Reserves Policy</p> <p>There are four earmarked reserves - £61850.00</p>

Internal Control	Testing		Comments
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Council now uses Advantage Edge to manage the accounts and the cashbook is kept up to date</p> <p>The bank balances are noted at each meeting and there is a financial report which has a comparison of spending to budget noted once in the year</p>

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 24/1848 on 22 nd May 2024 The Financial Regulations were reviewed and adopted at item 24/1849 on the same date. The Financial Regulations were reviewed again at item 24/2025 on 21 st October 2024
Biodiversity Policy	Has the Council adopted a Biodiversity Policy?	Yes	Adopted in July 2022
Other Policies	Has the Council formally adopted other policies?	Yes	A list of policies 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 January 2025 were checked and found to be correct against the minutes and bank statements
	Has VAT on payments been identified, recorded and reclaimed?	Yes	Two claims were made in August 2024 and March 2025
	Is s137 expenditure separately recorded and within statutory limits?	N/A	
	Tenders exceeding the £30,000 threshold have been advertised on the Contract Finders website	Yes	A tender was put on Contract Finder in December 2024

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 24/1959 on 19 th August 2024
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Zurich Municipal

			<p>through Community First Insurance Policy Number – YLL2720278713. The Policy has been seen. The latter is part of a three-year long-term agreement expiring on 31st May 2027</p> <p>Employers Liability and Public Liability are both £10 million</p> <p>Fidelity Cover = recommended guidelines of year end balances + 50% of the precept The sum insured s £25000.00</p>
	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 amended LGA/Chelmsford City Council Code of Conduct on 19 th December 2022 at item 22/1345
	Has the Council adopted a Data Protection Policy, a Privacy Notice and Publication Scheme?	Yes	
	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 22 nd May 2024 and the first item 24/1831 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 st March and 1 st June (both inclusive). The Annual Assembly took place on 7 th May 2024

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 24/2046 on 18 th November 2024, following a recommendation from the Finance & General Purposes Committee
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	Is actual expenditure against the budget regularly reported to the council?	Yes	The Precept was set on the same date at item 24/2047 The receipts and payments are presented to the Council and minuted monthly and a comparison of expenditure to budget is produced annually
	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 Advantage Edge. Most income received is by BACS or bank transfer but the small number of payments that aren't, are promptly banked
	Does the precept recorded agree to the Council Tax authority's notification?	No	The recorded Precept does not agree to the Council Tax Authority's notification. Please see above
	Are security controls over cash and near-cash adequate and effective?	Yes	
	Does the Council Review its fees on a regular basis?	Yes	

Petty cash procedures	The Council does not operate a petty cash system	N/A	The Clerk is reimbursed for purchases during the year and it is noted that the Council is investigating the use of a credit card
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Payroll Controls	Has a Responsible Financial Officer been appointed with specific duties?	Yes	The current Clerk was employed from 1 st March 2019 and there is specific mention of the appointment as RFO
	Do all employees have contracts of employment with clear terms and conditions?	Yes	The Clerk is not the only employee and the contracts of employment have been seen

	<p>Do salaries paid agree with those approved by the Council?</p> <p>Are other payments to employees reasonable and approved by the Council?</p> <p>Has PAYE/NIC been properly operated by the Council as an employer including the issue of P60s?</p> <p>Does the Council pay the Parish Basic Allowance?</p> <p>Employer's Reference – 083/VZ60477</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p>	<p>Mobile telephone and mileage</p> <p>The payroll is outsourced to DM Payroll, who submit information to HMRC by RTI. Regular payments are made to HMRC and Essex Pension Fund</p>
Asset Controls	<p>Does the council maintain a register of all material assets owned or in its care?</p> <p>Are the assets and Investments registers up to date?</p>	<p>Yes</p> <p>Yes</p>	<p>The Asset Register was agreed at item 24/1853 on 22nd May 2024, which considered the Register for the 2024/2025 year. The asset value listed in the Asset Register is the same as that recorded on the AGAR</p> <p>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</p>

Bank Reconciliation	<p>Is there a bank reconciliation for each account?</p> <p>Is a bank reconciliation carried out regularly and in a timely fashion?</p> <p>Are there any unexplained balancing entries in any reconciliation?</p>	<p>Yes</p> <p>Yes</p> <p>No</p>	<p>Bank reconciliations are carried out monthly</p>
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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 January 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 31 st March 2025 was completed but not signed as it had not been presented to the Council
	Is there a Certificate of Exemption?	N/A	
	Has the Council published five years of the Annual Return (AGAR) on its website under The Accounts & Audit Regulations 2015?	Yes	The period was 3 rd June 2024 – 12 th July 2024
	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 24/1921 on 15 th July 2024, and a plan is minuted
	Was the External Auditor's Report reported to the Council?	Yes	The External Auditor's Report for 2023-2024 was reported to the Council at item 24/1989 on 17 th September 2024 and item 24/2018 on 21 st October 2024 and a plan is minuted
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 to action	Yes	The Council has co-options as agenda items and they are minuted as such
Grants	Does the Council make any grants to the church?	No	