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Internal Audit Report for Pleshey Parish Council

I am pleased to report that I have completed my Internal Audit for the Parish Council for the period 1st April 2023 to 31st March 2024. The Audit was carried out on 18th June 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 a very good standard.

I would like to record my appreciation to the Clerk of the Council, Will Adshead-Grant for his time and invaluable assistance during the Internal Audit.

Ann C Wood

Ann C. Wood LL.B.Hons, DMS, Cert.HE
28th June 2024

Items Raised by the 2022/2023 Audit

There are no issues to raise

Items Raised by the 2023/2024 Audit

1. There is no evidence of a list of policies that are available on the website and the Council should either put them on the website if they have adopted any policies or consider adopting other policies, if it has not
2. An Internal Financial Control document should be investigated.

Electorate	Approx. 200		
Councillors	7		
General Power of Competence	Does the Council have the General Power of Competence?	Yes	The Council resolved to operate under the General Power of Competence in May 2023
LCAS	Has the Council attained any of the LCAS levels?	No	
Reserves	Are the general reserves reasonable for the activities of the Council?	Yes	The General Reserve at £5274.00 is within the recommended amount of 50%-100% of Precept
	Are earmarked reserves identified?	N/A	
Sole Trustee	Is the Council a sole trustee of any charity?	No	

Accounting Basis	Receipts and Payments		
Bank Accounts	Barclays Bank – Current Account 90097578		£1992.15
	Barclays – Deposit Account 00599697		£3281.64
Petty Cash	Not Applicable		
Income			Precept - £8280.00
			This does not agree to the figure published by PKF Littlejohn which is £8277.00. This is being raised as a query with Chelmsford City Council
			Other Income - £5711.00 This includes interest, VAT refund, grant, allotment rents and other income
VAT	The Council is not registered for VAT		Two VAT claims were made during the year
ICO Registration	Data Protection Registration Number – ZB340162		The council is now registered with the ICO from 13 th July 2024

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 bank reconciliations and balances are noted at each meeting and bi-monthly balance to bank statement comparison reports are presented

Standing Orders and Financial Regulations	Has the Council formally adopted standing orders and financial regulations?	Yes	The Standing Orders were reviewed and adopted on 17 th May 2023 at item 2023/889 Financial Regulations were reviewed and adopted on 17 th May 2023 at item 2022/890
Other Policies	Has the Council formally adopted other policies?	No	There is no evidence of a list of policies that are available on the website

Payments Controls	Have items or services above the de minimus amount been competitively purchased?	N/A	Two samples were checked and found to be correct The VAT has been identified and recorded and two claims were made during the year
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is s137 expenditure separately recorded and within statutory limits?	N/A	
	Tenders exceeding the £25,000 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 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 and minuted at item 2023/892 on 17 th May 2023 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 through BHIB policy number LCO02669. Employers Liability is £10 million and Public Liability is £10 million Fidelity Cover = recommended guidelines of year end balances + 50% of the precept
	Are internal financial controls documented and regularly reviewed?	No	An Internal Financial Control document should be investigated
	Has the council adopted a Code of Conduct?	Yes	The Council has not yet adopted the amended LGA/Chelmsford City Council Code of Conduct and currently is using the 2012 code
	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 17 th May 2023 and the first item 2023/880 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 10 th May 2023

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 2022/765 on 9 th November 2022. The Precept was agreed on the same date at item 2022/766
	Is actual expenditure against the budget regularly reported to the council?	Yes	The receipts and payments are presented to the Council and minuted and a comparison is produced quarterly
	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	Most income payments are received by bank transfer or online payment and allotment cheques are banked promptly
	Does the precept recorded agree to the Council Tax authority's notification?	No	The Council Precepted £8280.00 but Chelmsford City Council gave the figure of £8277.00 to PKF Littlejohn. This is being queried with the City Council
	Are security controls over cash and near-cash adequate and effective?	Yes	See above
	Does the Council Review its fees on a regular basis?	N/A	

Petty cash procedures	The Council does not operate a petty cash system	N/A	
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Payroll Controls	Has a Responsible Financial Officer been appointed with specific duties?	Yes	The current Clerk took on the role on 14 th January 2016. 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 the only employee and a contract of employment has been seen
	Do salaries paid agree with those approved by the Council?	Yes	The Council uses DM Payroll who submit by RTI
	Are other payments to employees reasonable and approved by the Council?	Yes	Mileage allowance is paid
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes	The Council uses DM Payroll and regular payments are made to HMRC and the Essex Pension Fund
Asset Controls	Does the council maintain a register of all material assets owned or in its care?	Yes	Reviewed and agreed at item 2023/891 on 17 th May 2023
	Are the assets and Investments registers up to date?	Yes	It should be noted that the asset value listed in

			<p>the Asset Register should be the same as that recorded on the AGAR. This is the case at £50353.00 on the AGAR and on the Register</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>
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Bank Reconciliation	Is there a bank reconciliation for each account?	No	The reconciliations for both accounts are on one account
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	Bank reconciliations are presented to the Council meetings and agreed and minuted
	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	
	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?	Yes	Year End 31 st March 2024 were signed on 8 th May 2024 at items 2024/1115 and 2024/1116
Is there a Certificate of Exemption?	No		

Auditor's Reports	Was the Internal Auditor's Report reported to the Council?	No	A formal written report was given to the Council but was not reported
	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

Loan	Were any loans made to volunteer bodies during the year?	No	
PWLB		No	

Donation to the Church	Does the Council make any grants to the church?	No	
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