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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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. The Audit was carried out on 16<sup>th</sup> June 2023.

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  
22<sup>nd</sup> June 2023

### **Items Raised by the 2021/2022 Audit**

1. The Precept requested and received by the Council does not agree to the figure published by PKF Littlejohn, which is £8435.00. This is being raised as a query with Chelmsford City Council  
**This was noted and has been raised with Chelmsford City Council**
2. The General Reserve is quite low at £2356.00, when the Council precepts £8432.00. The Council should consider raising the reserves and adopting a Reserves Policy  
**Noted**
3. There is no record of the Council's registration on the ICO website and the Council should address this matter  
**The Council has now registered with the ICO**
4. The Precept was agreed on 14<sup>th</sup> October 2020 at item 2020/310. The total Precept figure was not recorded and this should be rectified  
**Noted**

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

There are no issues to raise

<b>Electorate</b>	Approx. 200		
<b>Councillors</b>	7		
<b>General Power of Competence</b>	Does the Council have the General Power of Competence?	No	The Council operates under S137 of the LGA 1972
<b>LCAS</b>	Has the Council attained any of the LCAS levels?	No	
<b>Reserves</b>	Are the general reserves reasonable for the activities of the Council?	No	The General Reserve is within the recommended amount
	Are earmarked reserves identified?	Yes	£10000.00 for new play equipment
<b>Sole Trustee</b>	Is the Council a sole trustee of any charity?	No	

<b>Accounting Basis</b>	<b>Receipts and Payments</b>		
Bank Accounts	Barclays Bank – Current Account 90097578		£310.08
	Barclays – Deposit Account 00599697		£19535.99
Petty Cash	Not Applicable		
Income			Precept - £7479.00
			This does not agree to the figure published by PKF Littlejohn which is £7484.00. This is being raised as a query with Chelmsford City Council
			Other Income - £9938.00 This includes interest, grant, allotment rents and other income
VAT	The Council is not registered for VAT		No VAT claim was made during the year

ICO Registration	Data Protection Registration Number – ZB340162		The council is now registered with the ICO from 13 <sup>th</sup> July 2022
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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  The bank reconciliations and balances are noted at each meeting and bi- monthly balance to bank statement comparison reports are presented
	• Is the cashbook arithmetic correct?	Yes	
	• Is the cashbook regularly balanced?	Yes	

Standing Orders and Financial Regulations	Has the Council formally adopted standing orders and financial regulations?	Yes	The Standing Orders were reviewed and adopted on 11 <sup>th</sup> May 2022 at item 2022/687  Financial Regulations were reviewed and adopted on 11 <sup>th</sup> May 2022 at item 2022/688
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	The VAT has been identified and recorded but no claim was made during the year  There is a separate column in the accounts for
	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	Yes	

	<p>statutory limits?</p> <p>Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website</p>	N/A	Grants and it is specifically labelled as S137 payments
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Risk management arrangements	<p>Does a review of the minutes identify any unusual financial activity?</p> <p>Do the minutes record the council carrying out an annual risk assessment?</p> <p>Is insurance cover appropriate and adequate?</p> <p>Are internal financial controls documented and regularly reviewed?</p> <p>Has the council adopted a Code of Conduct?</p> <p>Was the Annual Parish Council Meeting held within the prescribed timeframe?</p>	<p>No</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p>	<p>The minutes of the Council meetings for the year 2022/2023 were read and no unusual financial activity was noted</p> <p>A financial/reputational risk assessment was carried out during the year and was agreed and minuted at item 2022/692 On 11<sup>th</sup> May 2022</p> <p>Risk assessment should include reference to the General Data Protection Regulations 2018</p> <p>The Council is insured with Aviva Insurance Ltd through BHIB policy number LCO02669. Employers Liability is £10 million and Public Liability is £10 million</p> <p>Fidelity Cover = recommended guidelines of year end balances + 50% of the precept</p> <p>An Internal Financial Control document should be investigated.</p> <p>The Council has not yet adopted the amended LGA/Chelmsford City Council Code of Conduct and currently is using the 2012 code</p> <p>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 11<sup>th</sup> May 2022 and the first item 2022/678 was the election of the Chairman</p>
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	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 4 <sup>th</sup> May 2022
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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 2021/568 on 10 <sup>th</sup> November 2021. The Precept was agreed on the same date at item 2021/569
	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
	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	All income payments are received by bank transfer or online payment
	Does the precept recorded agree to the Council Tax authority's notification?	No	The Council Precepted £7479.00 but Chelmsford City Council gave the figure of £7484.00 to PKF Littlejohn. This is being queried with the City Council
	Are security controls over cash and near-cash adequate and effective?	Yes	All income payments are received by bank transfer or online payment
	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 <sup>th</sup> January 2016. There is specific mention of the
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	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <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>Have PAYE/NIC been properly operated by the Council as an employer?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>appointment as RFO</p> <p>The Clerk is the only employee and a contract of employment has been seen</p> <p>The Council uses DM Payroll who submit by RTI</p> <p>Mileage allowance is paid</p> <p>The Council uses DM Payroll and regular payments are made to HMRC and the 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>Reviewed and agreed at item 2021/452 on 11<sup>th</sup> May 2022</p> <p>It should be noted that the asset value listed in the Asset Register should be the same as that recorded on the AGAR. This is the case at £41665.00</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 presented to the Council meetings and agreed and minuted</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	
	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	
Is there a Certificate of Exemption?	Yes	The exemption certificate was agreed and signed on 12 <sup>th</sup> April 2023 at item 2023/878	

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 due to the death of the monarch preventing a meeting
	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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