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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 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.

I have found a number of issues during the Audit that the Council needs to address during the 2025-2026 year. 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.
12th July 2025

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.

Items Raised by the 2024/2025 Audit

1. This does not agree to the figure published by DLUHC, which is £13247.00. The Parish Council may wish to take this matter up with Chelmsford City Council
2. An Internal Financial Control document should be investigated
3. The Council is required to publish the Notice of the period for the exercise of public rights on its website, under The Accounts & Audit Regulations 2015. This is not available on the website
4. It is a legal requirement for the Council to adopt a Biodiversity Policy/Statement. This should be considered as soon as possible in the 2025-2026 year
5. The Council has not yet adopted the amended LGA/Chelmsford City Council Code of Conduct and currently is using the 2012 code. The Council should consider the adoption of the new Code of Conduct
6. The Council has not adopted a Data Protection Policy, a Privacy Notice or a Publication Scheme. The latter of these is a legal requirement and this must be addressed

GENERAL			
Electorate	300		
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?	No	
Civility & Respect	Is the Council a Civility and Respect Pledge Council?	No	
ICO Registration	Data Protection Registration Number – ZB340162	Yes	The council registered with the ICO from 13 th July 2024. Expires 12 th July 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	
Sole Trustee	Is the Council a sole trustee of any charity?	No	

Accounting Basis	Receipts and Payments		
Bank Accounts	Barclays Bank – Current Account 90097578		£10300.31
	Barclays – Deposit Account 00599697		£359.90
	Unity Trust Bank 20513111 (Current)		£6.64
	Unity Trust Bank 20513124 (Saving)		£459.93
Petty Cash	Not Applicable		Expenses are reimbursed to the Clerk each

Income			<p>month</p> <p>Precept - £13250.00</p> <p>This does not agree to the figure published by DLUHC, which is £13247.00. The Parish Council may wish to take this matter up with Chelmsford City Council</p> <p>Other Income - £3117.00</p> <p>This includes interest, Allotment rents and VAT refund</p>
Reserves	<p>Are the general reserves reasonable for the activities of the Council?</p> <p>Are earmarked reserves identified?</p>	N/A	<p>The General Reserves at £11127.00 are within the PKF Littlejohn recommended levels of 50%-100% of precept. The Council does have a Reserves Policy</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 uses an Excel spreadsheet 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 quarterly financial report which has a comparison of spending to budget</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 2024/1091 on 8 th May 2024 The Financial Regulations were reviewed and adopted at item 2024/1091 on the same date
Biodiversity Policy	Has the Council adopted a Biodiversity Policy?	No	Since 1 st January 2024, it has been a legal requirement for the Council to adopt a Biodiversity Policy/Statement
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	Two sample expenditures from June 2024 and February 2025 were checked and found to be correct against the minutes and bank statements A claim was made and the refund made in May 2025
	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 £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 2024/1094 on 8 th May 2024
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Aviva Insurance Ltd

			<p>through Clear Council Brokers Policy Number – . LCO02669. The Policy has been seen. The latter is part of a three-year long-term agreement expiring on 31st May 2025</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</p>
	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
	Has the Council adopted a Data Protection Policy, a Privacy Notice and Publication Scheme?	No	
	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 8 th May 2024 and the first item 2024/1082 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 15 th May 2024

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	<p>A budget was agreed at item 2022/989 on 8th November 2023 and a copy of the budget papers has been seen</p> <p>The Precept was agreed on the same date at item 2022/990</p>
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	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

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 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	There are payments to the Clerk for reimbursement of purchases
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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?	N/A	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	

	<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 – 475/EA67871</p>	<p>Yes</p> <p>Yes</p> <p>No</p>	<p>Mileage allowance is paid</p> <p>The Council uses DM Payroll who submit information to HMRC by RTI. 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>Asset Register was agreed at item 2024/1093 on 8th 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>	
Year-end procedures	<p>Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?</p>	<p>Yes</p>	<p>Accounts are prepared on a Receipts and Payments basis, as the Council is below the £200,000.00 threshold</p>

	Do the accounts agree with the cashbook?	Yes	Sample payments were taken from August 2024 and February 2025 and were found to be correct
	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?	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?	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?	No	The Notice of the period for the exercise of public rights for 2023-2024 is not available on the Council's website

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 2024/1149 on 11 th September 2024
	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

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 agenda items and they are minuted as such
Grants	Does the Council make any grants to the church?	No	