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Internal Audit Report for Toppesfield 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 28th May 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. There are however, some recommendations that the Council should consider

I would like to record my appreciation to the Clerk of the Council, Kaaren Berry for her assistance during the Internal Audit.

Ann C Wood

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7th June 2025

Items Raised by the 2023/2024 Audit

This audit was not undertaken by LetchWood

Items Raised by the 2024/2025 Audit

1. The Council has a set of accounts produced professionally but these do not agree to the accounts kept by the Clerk on Easy PC Accounts because they are prepared on an Income and Expenditure basis. The Council should be accounting on a Receipts and Payments basis so therefore the accounts used for the audit were those produced by Easy PC Accounts
2. The Council must adopt a Biodiversity Policy/Statement. This has been a legal requirement since 1st January 2025
3. There is no evidence that the Internal Auditor's Report was reported to the Council. The Internal Auditor's Report must be reported to the Council in the same way that the External Auditor's Report is and if necessary, a plan of how the Council is going to address any recommendations made must be minuted
4. It is recommended that the Council considers setting up a Personnel/Staffing committee
5. It is recommended that the Council agrees an Internal Financial Control document

General			
Electorate	413		
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 has adopted the General Power of Competence on 3 rd August 2023 at item 23/136.9
LCAS	Has the Council attained any of the LCAS levels?	No	
Civility & Respect	Is the Council a Civility and Respect Pledge Council?	Yes	Signed on 5 th December 2024
ICO Registration	Data Protection Registration Number – ZA089684	Yes	Registered on 3 rd December 2014. Expires on 2 nd December 2025
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?	No	
Sole Trustee	Is the Council a sole trustee of any charity?	No	

Accounting Basis	Receipts and Payment		
Bank Accounts	Barclays Bank – Current Account 30880027		£35548.80
Petty Cash	Not Applicable		Expenses reimbursed to the Clerk each month
Income			Precept - £17750.00
			This agrees to the figure published by DLUHC

Reserves	Are the general reserves reasonable for the activities of the Council?	Yes	Other Income - £6400.00 This includes Verge Cutting & Street Cleansing and grants (inc. NHP) The General Reserves at £24786.80 are higher than the PKF Littlejohn recommended levels of 50%-100% of precept. The Council does have a Reserves Policy
	Are earmarked reserves identified?	Yes	£7262.00 – Playing Field £3500.00 - General Improvements

Internal Control	Testing		Comments
Proper bookkeeping	• Is the cashbook maintained and up to date?	Yes	The Council uses Easy PC Accounts to manage the accounts and the cashbook is kept up to date The bank balances are noted at each meeting and there is also a financial report which has a comparison of spending to budget
	• 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 1 st July 2021 and were not reviewed during the audit year The Financial Regulations were reviewed and adopted on 18 th July 2024 at item 24/106.3
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 July 2024 and February 2025 were checked and found to be correct against the minutes and the bank statement
	Has VAT on payments been identified, recorded and reclaimed?	Yes	A claim is made annually
	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 24/106.4 on 18 th July 2024
	Is insurance cover appropriate and adequate?	Yes	The Council is insured with Aviva Insurance Ltd through Clear Councils Insurance Brokers Policy Number – LCO02921. The Policy has been seen 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	N/A	The Council does not have an Internal Financial

	reviewed?		Control document
	Has the council adopted a Code of Conduct?	Yes	The Council adopted the LGA/Braintree District Council Code of Conduct on 7 th November 2024 at item
	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 9 th May 2024 and the first item 24/68 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 25 th April 2024

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes	A budget was agreed at item 24/9.2 on 11 th January 2024. The Precept was agreed on the same date at the same item
	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 also a comparison of expenditure
	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 Easy PC Accounts package. All income received is by BACS or bank transfer
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The recorded Precept agrees to the Council Tax Authority's notification

	Are security controls over cash and near-cash adequate and effective?	N/A	
	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	Payments are made to the Clerk monthly for reimbursement of purchases made
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Payroll Controls	Has a Responsible Financial Officer been appointed with specific duties?	Yes	The current Clerk's Contract of Employment is dated 10 th March 2011. The contract has specific mention of the appointment as RFO. An amended contract was drawn up on 9 th May 2024
	Do all employees have contracts of employment with clear terms and conditions?	N/A	The Clerk is the only employee. The Clerk is paid mileage 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 HMRC Basic Tools
	Has PAYE/NIC been properly operated by the Council as an employer including the issue of P60s?	Yes	Regular information is submitted to HMRC using RTI and regular payments are made
	Does the Council pay the Parish Basic Allowance?	No	
	Employer's Reference – 120/EA62862		
Asset Controls	Does the council maintain a register of all material assets owned or in its care?	Yes	
	Are the assets and Investments registers up to date?	Yes	Asset Register was agreed at item 24/62.6 on 2 nd April 2024, which considered the Register for the 2023/2024 year. The asset value listed in

			<p>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 Depreciation</p>
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Bank Reconciliation	Is there a bank reconciliation for each account?	Yes	There is only one bank account
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	
	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	<p>Accounts are prepared on a Receipts and Payments basis, as the Council is below the £200,000.00 threshold</p> <p>However, the Council has a set of accounts produced professionally but these do not agree to the accounts kept by the Clerk on Easy PC Accounts because they are prepared on an Income and Expenditure basis. The accounts used for the audit were those produced by Easy PC Accounts</p>
	Do the accounts agree with the cashbook?	Yes	See above
	Is there an audit trail from underlying financial records to the accounts?	Yes	Sample payments were taken from July 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 31 st March 2024 was not completed or signed, as it has 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	
	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	The period was 10 th June 2024 to 19 th July 2024

Auditor's Reports	Was the Internal Auditor's Report reported to the Council?	Yes	There is no evidence that the Internal Auditor's Report was reported to the Council The Internal Auditor for 2024/2025 was appointed on 21 st January 2025 at item 23/166.4
	Was the External Auditor's Report reported to the Council?	Yes	The External Auditor's Report for 2023-2024 was reported to the Council on 12 th September 2024 at item 24/136.2

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	