

**TOLLESHUNT D'ARCY
PARISH COUNCIL**

**INTERNAL AUDIT
REPORT
2024 / 2025**

**M Howard (F.C.P.F.A.)
Internal Auditor
May 2025**

CONFIDENTIAL

Introduction

I have now examined the records for 2024/2025 using, as the basis of my review, the internal control objectives required by the external auditor as part of the Annual Return. I would like to take this opportunity to express my appreciation to Mrs. Michelle Curtis for her assistance and for the straight forward and helpful way with which she presented the Council's procedures and records.

Findings

A summary of the Annual Return control objectives, together with my findings and recommendations are listed below:

A. Control Objective

Appropriate books of account have been properly kept throughout the year.

Finding

During the year a computerized accounting system, called "Alpha" was operated and together with payroll software has been used to record the Council's financial transactions for 2024/25. During my audit I was able to check that the transactions were consistent with those recorded by the bank, in the year end accounts and the Annual Return.

At the year end these systems provided the information required in the annual accounts prepared by the Clerk for the latest Annual Return.

B. Control Objective

The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT appropriately accounted for.

Finding

The Council's Standing Orders and the Financial Regulations were reviewed in June 2024.

The changed Financial Regulations require the preparation of a 3 year forecast including any recommendations for the use or accumulation of reserves when preparing the draft budget and setting the next years precept.

These Financial Regulations were not complied with when approving the budget for 2025/26 but will be required when setting the budget and precept for 2026/27.

During 2024/25 payments were supported by invoices, expenditure was approved, authority for payments were all recorded and VAT appropriately accounted for. At the 31st March 2025 all VAT paid had been reclaimed or accounted for.

C. Control Objective

The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Finding

The risk assessment was reviewed and approved by the Council on the 29th April 2025.

The Risk Assessment and Management document approved by the Council in April 2025 follows the approach recommended in the Practitioners Guide.

With regard the inspection of play equipment there was no mention in the risk assessment of play equipment inspection other than annually. In the past I have been given to understand that the insurance providers require recorded weekly inspections.

D. Control Objective

The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.

Finding

The annual precept requirement did result from an adequate budgetary process. Progress against the budget and reserves was regularly monitored during 2024/25.

E. Control Objective

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.

Finding

The receipts received during 2024/25 other than the £24,766 precept were:

- £9,819 Pavilion
- £3,284 Donations
- £2,016 Burial Ground fees.
- £175 Pitch Fees
- £630 Interest Received
- £2,002 VAT recovered

In addition, £1,575.76 VAT was received for the period ended 31st March 2024 and £426.85 for the period ended 30th September 2024. A further £2,131.75 was outstanding as at the 31st March 2025 for the period 1st October 2024 to 31st March 2025 for which a claim for repayment was made on the 8th April 2025.

F. Control Objective

Petty Cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.

Finding

There is no petty cash.

G. Control Objective

Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Finding

I have been provided with the new contract of employment for the Clerk following her November 2024 upgrade. During 2024/25 she has been paid consistent with the current contract and her previous contracts of employment.

In addition, the Clerk was paid £99.00 for burial ground duties.

I was able to verify that all PAYE and NI requirements were met during 2024/25.

The PAYE year end returns have been submitted to HMRC by the Clerk.

I am aware that there is no pension provided for the Clerk. With annual pay increases to the Clerk's remuneration is getting closer to the £10,000 threshold requiring automatic enrolment.

H. Control Objective

Asset and Investment registers were complete and accurate and properly maintained.

Finding

I have examined the Register of Assets provided for audit examination which includes insurance valuations which can be reconciled with the insurance policy.

The Value of Assets on the Annual Return at the 31st March 2025 is £240413 which is consistent with the 2025 asset register.

I. Control Objective

Periodic and year end bank account reconciliations were properly carried out.

Finding

Bank reconciliations were carried out throughout the year and the reconciliation as at the 31st March 2025 was formally recorded and verified during the audit.

J. Control Objective

Accounting statements prepared during the year were prepared on the correct accounting basis, agree with the cash book, and were supported by an adequate audit trail from underlying records.

Finding

The Accounting statements prepared during the year were prepared on a receipts and payments basis, they agree with the cash book, and are supported by an adequate audit trail from underlying records.

K. Control Objective

If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the criteria and correctly declared itself exempt.

Finding

In 2023/24, the Council did not exempt itself from a limited assurance review.

L. Control Objective

The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the transparency code for smaller authorities.

Finding

The Information can be found on tolleshuntarcyparishconcil.gov.uk

M. Control Objective

The authority during the previous year (2023-24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations

Finding

I have a copy of the 2023/24 Notice of "Public Rights..." and viewed it on the current website.

N. Control Objective

The authority has complied with the publication requirements for 2023/24 AGAR.

Finding

I can confirm these requirements are being complied with on the current website.

I would draw the Council's attention to the publication requirements for the 2024/25 AGAR, particularly those which must be complied with by the 1st July 2025.

O. Control Objective

Trust funds (including charitable). The council has met its responsibilities as a trustee.

Finding

Not Applicable.

Recommendations

With reference to the above findings, I recommend that the Council speedily progress the following-

- Prepare a 3 year forecast, including any recommendations for the use or accumulation of reserves, when setting the budget and precept for 2026/27.
- Review the arrangements for the inspection of play equipment to ensure that they comply with insurance requirements.
- As part of the Clerk's employment keep under review the need to make arrangements for a pension,

Opinion

After extensive checking of the Council's records and accounts, I have found the systems to be sound. During the year 2024/25 the procedures and processes required by the external auditor have been improved by the Clerk and operated effectively.

M. G. Howard F.C.P.F.A

15th May 2025