TOLLESHUNT D'ARCY PARISH COUNCIL

INTERNAL AUDIT REPORT 2025 / 2026

M Howard (F.C.P.F.A.)
Internal Auditor
May 2026

CONFIDENTIAL

Introduction

I have now examined the records for 2025/2026 using, as the basis of my review, the internal control objectives required by the external auditor as part of the Annual Return.

I agreed with the Clerk that changes were required to comply with the new requirements relating to the need for the internal auditor being required to ensure that "the authority has complied with laws, regulations & proper practices relating to digital and data compliance". I have used the Practitioners' Guide 2025 as the basis of that review.

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 2025/26. 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 May 2026.

During 2025/26 payments were supported by invoices, expenditure was approved, authority for payments were all recorded and VAT appropriately accounted for. At the 31st March 2026 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 28tth April 2026.

The Risk Assessment and Management document approved by the Council in April 2026 follows the approach recommended in the Practitioners Guide.

As in 2024/25 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 2025/26.

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 2025/265 other than the £25,730 precept were:

- £8,800 Pavilion
- £1,420.80 Burial Ground fees.
- £205 Pitch Fees
- £535.16 Interest Received
- £3,160.79 VAT recovered

A further £1,609.42 was outstanding as at the 31st March 2026 for the period 1st October 2025 to 31st March 2026 for which a claim for repayment was made on the 29th April 2026 and received on the 5Th May 2026.

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 not been provided with a new contract of employment for the Clerk following her November 2025 upgrade. During 2025/26 she has been paid consistent with the previous contracts of employment adjusted for the 2025 pay award and this years upgrade

In addition, the Clerk was paid £44.00 for burial ground duties.

I was able to verify that all PAYE and NI requirements were met during 2025/26.

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 £247,941 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 2026 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 2024/25, 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 tolleshuntdarcyparishcouncil.gov.uk

M. Control Objective

The authority during the previous year (2024-25) 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 2024/25 Notice of "Public Rights…" and viewed it on the current website.

N. Control Objective

The authority has complied with the publication requirements for 2024/25 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 2025/26 AGAR, particularly those which must be complied with by the 1st July 2026.

O. Control Objective

The authority has complied with law, regulations & proper practices relating to digital and data compliance.

Finding

The 2026 AGAR requires the Council to formally state that "We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review".

I have reviewed with the Clerk, using the Practitioners' Guide 2025 as the basis of our review, the actions taken to ensure that the Council is complying with these practices. It appears to me that "the authority has complied with laws, regulations & proper practices relating to digital an data compliance".

P. 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-

- Update the Clerk's contract of employment 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 2025/26 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 **19th May 2026**