Town & Parish Council Audit Services
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INTERNAL AUDIT REPORT

ESSINGTON PARISH COUNCIL

FINANCIAL YEAR 2025/26

INTERNAL AUDIT

Background and general summary

Town & Parish Council Audit Services has been appointed by Essington Parish Council to provide an independent Internal Audit for the financial year ending 31st March 2026. This is an update from the Interim Internal Audit report issued on 31st October 2025.

The Audit is provided on the basis of information provided by the Clerk and RFO, along with a review of the supporting records, together with audit of information available on the Council website which I have verified using web information.

1. The Parish Council was made up of fourteen Councillors
2. Members Interests Forms had been completed by all Councillors for which paper copies were held, and digital copies displayed on the Council website in accordance with legislative requirements.
3. Full Council Meetings were held monthly with meeting dates for all meetings published on the website.
4. The Parish Council have a Management Committee, Pools Committee and Finance Committee with Agendas and Minutes displayed on the website and noticeboard. Accompanying financial information is also included on the website. The Agendas and Minutes are in an accessible format ie PDF for download and printing
5. The Council has no responsibility for Burials or Allotments
6. The Council has responsibility for Hall hire and uses Rialtas booking system with income recorded accordingly and reflected in the accounts. Other rental income also duly recorded.
7. No Councillors had attended any training
8. Agendas are issued in a timely manner three clear days before the meeting, which clearly identify that Councillors are receiving their summons to the meeting. It was clear from the Agenda item what actions were required from each Agenda item ie for Councillors to receive for information, to discuss or to vote to resolve/make decisions. Agendas provide Councillors to declare any personal and prejudicial interests, with minutes duly recording any declarations. Agendas signed by the Clerk and Minutes for all meetings provided to Councillors, displayed on the noticeboard and available on the Council website
9. All meetings were quorate according to attendance records in the minutes and therefore legal.
10. Apologies for absence were noted although reasons for absence were not recorded. The Council and mindful and aware of the six-month rule and monitor this by the Clerk remaining in regular contact with Councillors absent from meetings to ensure the six-month rule is avoided.
11. The Chair and Vice Chair sign and complete their Declaration of Acceptance of Office which is duly recorded and Councillors have each sign a Declaration of Acceptance of Office which is duly recorded.
12. Public participation is facilitated before the formal commencement of meetings and complies with Standing Orders
13. Agendas and Minutes should not reference 'Matters Arising' as it should be clear as to the item of the Agenda and what is expected of Councillors ie to note, action, approve etc…
14. The Council had not signed up to the Civility and Respect pledge.
15. The Council was a member of their Association for Local Councils as well as NALC
16. The Parish Council owns a copy of the Local Council Administration

17. The Council met its statutory requirements in accordance with GDPR and has implemented GDPR policies in its Privacy Policy, Data Subject Access Request Policy.
18. The Council has registered with the Information Commissioner as required by legislation with effect from May 2025, with payment by direct debit to ensure ongoing compliance requirements are met
19. The Council is currently in the process of producing a Freedom of Information Policy based on the ICO Publication Scheme
20. The Clerk has a .gov email address and Councillors have separate email addresses.
21. Electronic data was backed up using Microshade Business Services manage backups, Microsoft 365 & Citrix .
22. There was provision for the storage of physical records which was safe and secure. Records were kept in line with Retention Policy.
23. The website provides access to Council documents which includes Financial Regulations, Standing Orders, as well as Whistle Blowing, Training, Sickness and Absence Policy, Risk Management, Openness and Transparency and Privacy, Members and Officers Subsistence and mileage, Environment Policy, Lone Working Policy, Health and Safety, Grievance Policy, Equal Opportunities Policy, Anti-Fraud and Corruption Policy, Disciplinary Policy, Dignity at Work Policy, Complaints, Community Engagement and Anti-bullying Policy.
24. The Council has a Publication Scheme which was adopted by the Parish Council on 24th March and is displayed on the noticeboard and website.
25. Internal and External Audit reports were received by the Council are referenced in the minutes which are duly displayed on noticeboard and website. AGAR as approved by the Council was published on the website. The Council reviewed the recommendations of the Internal Audit for the previous year, gave due consideration and documented rationale for decisions made as a result.
26. The Council complied with the Transparency Act. In publishing AGAR good practice had been demonstrating highlighting on the website the incompatibility of the requirements of the Audit Regulations (wet signature) and Accessibility Regulations

RECOMMENDATIONS

No specific recommendations and noted recommendations from last year which have either been completed or are in the process of being implemented.

Budgetary Controls and administration

OBJECTIVE : To ensure that a budget has been accurately prepared by the Council and adopted in the process of setting the Precept

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to ensure reference to the budgets prepared
- Evidence was sought within the minutes to show benchmarking of budgets against actual income and expenditure
- Current income and expenditure has been discussed by the Council in relation to the following years budget and preparation of year end profit and loss account
- Consideration of previous Internal and External audit and any recommendations

AUDIT SUMMARY

1. There were no outstanding matters from the External Auditor's Report and Certificate 2024/25 to be addressed
2. The Internal Section of the AGAR had been published on the website for the previous year
3. The Parish Council recorded in its minutes receipt of the External Audit report and the AGAR had been published on the website.
4. Electors rights – notice for the period for the exercise for the public rights were published with the dates minutes as 25th June 2025 to 5th August 2025 which included the first 10 working days in July in accordance with statutory requirements
5. The Council meetings are held in accordance with Standing Orders which is evidenced in the minutes.
6. Income and expenditure reports as well as reconciliations being presented at each meeting and approved by Council. These are referenced within the minutes where appropriate and available on the website as supporting documents for meetings.
7. Accounts when presented to Council identify the actual income/expenditure in previous year followed by actual year to date. Supporting financial documentation that accompany Agenda and Minutes clearly identify the monitoring of the budget and any variances, with references in the minutes where necessary. In line with SAPPP/Audit requirements this identifies the Council is monitoring income and expenditure against budget.
8. The Council has an Internal Financial Controls Policy. An annual Internal Control Councillor checklist is completed which records the monitoring of the budget, bank reconciliations, regular financial and budget reviews, that bills for payment are presented to the Council for approval, payments are supported by authorised invoices, checks are made on the accounts by a non-signatory Council and that the Internal Audited complies with the Annual Return timescales. A Councillor signs the bank reconciliation on a monthly basis and other reviews are undertaken on a monthly basis by the Finance Committee and Full Council.
9. The Clerk is currently working towards the CiLCA qualification.
10. The Council has not adopted the General Power of Competence.
11. All accounts for payment are reported to the Council for approval and also published on the website as a separate document, and included in meeting paperwork along with bank statements.
12. The Council has four authorised signatories which includes the RFO, but only applies the two signature rule to any cheque payments. Most payments are BACS and the banking facility does not allow for additional authrisation. The Council has reviewed its banking provision and

updated its financial regulations and is satisfied that there are adequate and effective systems of internal control to protect the Council from exposure to losses. These controls include the separation of duties with a Clerk and RFO, accurate and up to date financial reporting scrutinized by the Finance Committee, Councillor Audit, Internal and External Audit. The Council Insurance company has all measures recorded to ensure insurance cover is not impacted.

13. The Council does not have a debit card.
14. No petty cash is held by the Council.
15. Minutes reflect budget and precept setting process which is undertaken in a timely manner with the Precept and budget being set in January.
16. Receipt of Precept is evidenced in accounts and correlates to Precept request
17. End of Year accounts are approved by the Council with the Chair signing and this being recorded in the minutes
18. Accounts reflect all income received which in addition to Precept includes s106 and Interest. Rent is also received and evidence was shown in the minutes of arrears being actioned to recover
19. The Parish Council held reserves and had implemented recommendations from previous years audit. In line with SAPPP recommendations a published Reserves Policy had been adopted.
20. Section 137 is utilised by the Council and identified within the accounts
21. No Councillor allowances are paid and will be advertised as such for a period of 14 days after year end and recorded in the minutes..

RECOMMENDATIONS

No specific recommendations and noted recommendations from last year which have either been completed or are in the process of being implemented.

Risk Assessment

OBJECTIVE : To ensure risks are identified and managed effectively

WORK DONE :
As part of the audit the following work was undertaken for this objective :

- Review of Council Risk Assessment and areas covered
- Audit of payments linked to Council minutes
- Testing of income and expenditure processes
- VAT recovery procedures

AUDIT SUMMARY

1. The Council had the appropriate combined commercial insurance cover in place which was reviewed annually. There was a long term agreement (30th September 2024) in place and the Parish Council reviewed its insurance annually. In terms of insurance cover this included £250,000 Fidelity Guarantee, £12,000,000 Public Liability cover and £10,000,000 Employer' Liability cover. The Annual review includes all insurance arrangements including Employer and Employee liabilities, Fidelity, Public Liability, Assets and Equipment.

2. The Council had a Statement of Internal Control as part of its risk management and inspections of property and equipment by staff or Councillors are undertaken.

3. Risk Assessment and Management document was reviewed annually which clearly identifies risk

4. Payments were made in accordance with Standing Orders and Financial Regulations with quotations obtained where necessary. The Parish Council includes details of contractors and sum in the minutes where necessary, with contractual agreements agreed in writing via email or an Official Purchase Order.

5. VAT records were maintained and VAT claimed in a timely manner on a quarterly basis, with VAT payments identified also on the website and in the Parish Council accounts. RFO has attended VAT training.

RECOMMENDATIONS

No recommendations.

Assets

OBJECTIVE : To ensure a complete and accurate register is kept detailing all the assets owned by the Parish Council

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Confirmation of Council Asset Register
- Ensure assets have adequate description to enable them to be identified
- Ensure assets have cost value and there is process in place for inspecting and re-evaluating costs

AUDIT SUMMARY

1. The Council held an up to date Asset Register – the Asset Register is displayed on website. A copy of the Register is provided to the Insurance company for cover purposes.
2. The Asset Register is reviewed and updated on an ongoing basis
3. Minutes reflect the review of the Asset Register and a physical check has been undertaken
4. A process was in place for re-evaluating costs

RECOMMENDATIONS

- No recommendations

Payroll/Staffing (incl Councillors)

OBJECTIVE : To ensure amounts paid as salary are correct and have been subject to PAYE/NIC deductions which have been calculated in accordance with PAYE regulations. To ensure that all deductions have been paid over to HMRC within time constraints. To ensure that pension deductions have been calculated at the correct rate and paid over to the required body in accordance with Pension Regulations.

WORK DONE :
As part of the audit the following work was undertaken for this objective :

- Review of procedures for salary payments
- Review of procedures for implementing tax codes and relevant deductions
- Review of pension deduction procedures and reporting to relevant pension scheme
- Review to ensure that payments are accurately authorised by the Council and recorded in minutes of meetings
- Ensure that any contractual changes are recorded

AUDIT SUMMARY

1. Parish Council staff all have a Contract of Employment. To comply with Council Insurance, references were sought prior to the RFO taking up employment – Clerk was already an employee in another capacity.
2. Council staff received their appraisals in June 2025 and July 2025.
3. There was evidence of a staff training budget and staff attending training (training to form part of Appraisal process and budget setting). Councillor training has been arranged. .
4. The Parish Council was registered with HMRC as an employer and PAYE/NIC was processed using Realtime PAYE on a monthly basis with appropriate tax codes and deductions being made
5. The Clerk did not receive any Home Working weekly allowance
6. All salary and HMRC payments are considered at Parish Council meetings and duly authorised
7. Checking of accounts evidences the payment of salaries to individuals and statutory payments
8. Checking of accounts evidences the payment of Tax and NI to HMRC and due procedures being followed with regard to tax codes and deductions.
9. The Parish Council met legislative requirements in terms of registering with the Pension Regulator and offering a pension to the Clerk ; this being the Local Government Pension Scheme. The Council has a Discretions Policy which is currently being reviewed, along with other relevant pension policies.
10. Internal Audit questionnaire indicated no Councillor allowances are paid.

RECOMMENDATIONS

No specific recommendations and noted recommendations from last year which have either been completed or are in the process of being implemented.

Bank and cash income and expenses

OBJECTIVE : To ensure systems in place for the accurate recording of all income and expenditure is sufficient and free from material error or misstatement. To ensure that all expenditure has been authorised by the Council and minuted accordingly and that all income can be verified to the source

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Bank reconciliation has been checked for arithmetical accuracy. Brought forward balance agreed to previous year reconciliation
- Bank balances have been agreed to bank statements and receipts and payments totals agreed
- A sample of costs verified against meeting minutes, vouchers, authorized payment, paid in accordance of the instructions, VAT correctly recorded

AUDIT SUMMARY

1. The Parish Council operates an Income and Expenditure accounts system using Rialtas Business Solutions - Omega.
2. Bank reconciliations are presented and approved by the Council in accordance with procedures outlined in Financial Regulations and audit checks completed for arithmetical accuracy with no concerns.
3. Bank statements are provided to Councillors monthly along with bank reconciliations, which is verified by a Councillors signatory in accordance with Financial Regulations. Approval is included in meeting minutes.
4. No cash is held.

RECOMMENDATIONS

No recommendations

Assertion 10 ; Digital and data compliance

OBJECTIVE : To ensure systems in place and that the Council meets the requirements of Assertion 10

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of IT Policy
- Review and confirm use of domain owned website
- Review and confirm use of compliant email address
- Review and confirm that the Council website is operational, publishes statutory documents and is accessible in terms of finding the transparency required information
- To determine if Accessibility Statement is available that meets WCAG 2.2 AA requirements

AUDIT SUMMARY :

- The Parish Council has adopted and implements an IT policy
- The Council has a domain owned website
- The Council has a compliant domain owned email address
- The Parish Council has an Accessibility Statement that meets requirements and also has a Privacy Policy.
- The Council meets its statutory requirements in accordance with GDPR.
- The Council is registered with the Information Commissioner
- The Council has implemented a Freedom of Information Policy based on the ICO Publication Scheme.
- Document management is effective with secure digital data back up
- The Council has a Publication Scheme which is adopted, reviewed and published detailing all categories of information available.
- The Council complies with the Transparency Act and has publicly available Transparency document which details all expenditure of £100 and relevant VAT info
- The website has evidence of regular dated updates
- Website documents are PDF format and therefore navigable for readers.
- The Council has considered its data protection compliance in terms of complying with the UK General Data Protection Regulations (UK GDPR) 2016 and the Data Protection Act 2018, and demonstrates compliance.
- The Council keeps all required financial and governance information up to date and makes accessible on the website

RECOMMENDATIONS :

- None

TOWN AND PARISH COUNCIL AUDIT SERVICES

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Internal Audit for Essington Parish Council

The Accounts and Audit (England) Regulations 2015 (as amended) state that Town and Parsh Councils are to conduct an internal audit to assess the risk management, control and governance processes, with reference to relevant public sector internal auditing standards and guidance, such as the Governance and Accountability for Local Councils Practitioners' Guide.

I confirm that I do not have any role within the Council and carried out my audit without bias and follow the Public Sector Internal; Audit Standards 2012 to enable the Council to comply with these Standards and Accounting regulations.   Internal audit procedures have been planned to facilitate the provision of our opinion regarding the control objectives outlined in the Annual Internal Auditor's Report as part of the 2025-26 Annual Governance and Accountability Return (AGAR).

Some recommendations for Council consideration have been included in my report, however, they do not impact the AGAR assertions from an Internal audit perspective.

Based on the audit it is my view that the internal control procedures in operation are adequate to meet the needs of the Council, and that there are no significant areas of concern and no significant matters to raise. The AGAR return for 2025/26 has been duly completed to reflect this.

I would like to take the opportunity to thank the Clerk for her diligence in providing all the necessary information required to complete the Internal Audit .

Yours sincerely,

Louise Baudet

Louise Baudet

Town and Parish Council Audit Services

10th June 2026