



Mr Forster
Clerk to the Council
Easington Colliery Parish Council

2nd May 2025

Dear Tony,

INTERNAL AUDIT REPORT – EASINGTON COLLIERY PARISH COUNCIL

Parish & Parish Auditing Services have been appointed to undertake the internal audit for Easington Colliery Parish Council. The End of Year audit was completed on 2nd May 2025.

I can confirm that I am independent of the Parish Council.

As part of my audit I have been able to review the financial and governance controls in place at the Council in detail.

As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out in the detailed report together with the results of the internal audit work for 2023-24.

Thank you for all the information you have provided. I would be grateful if you could present this report at the next available meeting of Full Council.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Russell'.

Paul Russell, Internal Auditor

A - Appropriate accounting records have been properly kept throughout the financial year

Accounts are kept using the Rialtas Alpha Accounting software. The internal audit has confirmed that income and expenditure balances to the cashbook and is reconciled to the bank statements on a regular basis. During the review it has been confirmed that there is a clear audit trail from the accounts to supporting documentation such as invoices.

The opening balances in the cashbook agreed back to the 2023/24 accounts. Bank reconciliations are undertaken monthly via the accounting software.

The year-end bank reconciliation details have been verified and accurate disclosure of the combined cash and bank balances are stated in the AGAR, section 2, line 8.

The Council has met this control objective.

B – This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Standing Orders and Financial Regulations are based on NALC templates. Standing Orders and Financial Regulations have been reviewed. Note that new Financial Regulations have been published by NALC.

Recommend that both documents are uploaded onto the new website.

All other payments under Box 6 of the AGAR has increased from £95,973 to £164,520, an increase of £68,547 or 71.42%.

The Council is not registered for VAT and submits its VAT returns to HMRC on an annual basis. The VAT return for the year has been reviewed. A VAT claim of £10,415.04 was reclaimed from HMRC and received.

The Council has met this control objective.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these

The Council is insured with Zurich Municipal on a standard local council package for employer liability and public liability. Adequate cover is provided and the policy was in date at time of audit.

All Council's buildings are adequately insured and are identified within the insurance schedule. Insurance values are at reinstatement costs.

The Council has a Risk Management Policy in place.

The Council has met this control objective.

D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate

Council had initial balances of £504,807 at the beginning of the year and these have increased to £546,745.

End of year bank balances are as follows:

ACCOUNT	AMOUNT
Current Account	£2,502.02
Instant Account	£529,258.46
Total	£531,760.48
Other	£50.00
AGAR Total	£531,810.48

Council has Earmarked Reserves in place and Council reviews these annually.

The precept and budget for 2024/25 were both approved at the Full Council meeting on 17th January 2024. The 2025/26 budget and precept were approved at a Council meeting on January 2024. A Precept of £387,493 was set alongside a local council tax revenue support grant of £50,053.00. A detailed budget sets out expenditure plans for 202-26.

Regular budget monitoring reports are presented and reviewed by the Full Council.

The Council has met this control objective.

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

Precept as stated in box 2 was £368,688. This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £132,435, an increase of £32,745.

A sample has been tested during the year from the cashbook. The transactions were selected randomly and included items from each month of the 2024/25 financial year. No material differences were identified.

The Council has met this control objective.

F – Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

The Council does not operate a petty cash account. **Not Covered.**

G - Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Staff costs per box 4 to the accounts were £294,665 compared to the previous year of £266,966.

Payroll is processed by J.A.C.S. Accountancy Ltd.

I confirmed that the accounts only include payments relating to employment of staff in box 4.

A sample of payroll was reviewed. I am satisfied that gross pay was calculated correctly, pension payments were correct and all payments to HMRC have been submitted.

The Council has met this control objective.

H - Asset and investments registers were complete and accurate and properly maintained.

The asset register was reviewed alongside the asset additions. The Fixed Assets box 9 are stated as £1,462,002 the previous year and this has now increased to £1,473,716 indicating a movement of £11,714 during the year that was recording on the asset register.

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and meets the relevant regulations.

The Council has met this control objective.

I – Periodic bank account reconciliations were properly carried out during the year.

The Council has no loans outstanding.

All the Bank Accounts are reconciled promptly on a monthly basis. This was verified by reviewing the bank reconciliation file.

The Council has an investment strategy in place as required by regulations.

The Council has met this control objective.

J - Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Easington Colliery Parish Council prepares its annual accounts on an income and expenditure bases as required as it has a turnover in excess of £200,000 per annum

The Council has met this control objective.

K: If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick “not covered”).

Not applicable.

L: The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation

The Council has published statutory documentation as required by the 2015 Transparency Code.

It is recommended that the Council continues to update its new website to fully meet the requirements of the 2015 Transparency Code.

The Council has met this control objective.

M – In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).

The Public Notice is published on the Council’s noticeboards.

The Council has met this control objective.

N: The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes)

The external audit certificate was clear. There were no matters to take into consideration. The external audit certificate was reported to the meeting of Full Council.

Please note that the Council is required by regulations to publish AGAR documentation for the previous 5 years.

The Council has met this control objective.

O – (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Council is not a sole trustee. Not applicable.