

West Mersea Parish Council
Internal Audit
Report of Interim Visit on 26 January 2026 (updated 17.02.26)

Introduction

Smaller authorities (income £25k to £6m) are required by the [Accounts and Audit Regulations 2015](#) to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. As part of this responsibility the authority appoints an internal auditor who is required to complete Section 3 of the Annual Governance and Accountability Return (AGAR).

It is not the role of the internal auditor to complete Section 1 or Section 2 of the AGAR or the supplementary papers. That is the responsibility of the smaller authority. The Practitioners Guide 2025 published by The Smaller Authorities' Proper Practices Panel (SAPPP), formally the Joint Panel on Accountability and Governance (JPAG), sets out the 'proper practices' (laid down in Sections 1 and 2 of the Guide) that must be applied in preparation of Sections 1 and 2 of the AGAR for the year ending 31st March 2026. Section 5 of the Guide provides supporting information and practical examples to assist smaller authority officers to manage their governance and financial affairs and is not mandatory.

Internal Auditor role and approach

Section 4 of the guide sets out the non-statutory best practice guidance relating to internal audit. It is not the purpose of either the Internal or External Audit to detect or prevent fraud (Practitioners Guide 2025 para 4.4). The internal audit looks at the practices operated by the smaller authority and assesses them, using a proportionate approach, against the prescribed 'proper practices'.

The role of the internal auditor is to review systems rather than undertake detailed checks that are more appropriately the responsibility of internal management within the smaller authority (Practitioners Guide 2025 para 4.8). The duties of the internal auditor relate to reporting on the adequacy and effectiveness of an authority's own systems of internal control (Practitioners Guide 2025 para 4.22) which is evidenced by the completion of AGAR section 3.

My internal audit approach is to review processes under each of the internal control objectives in section 3 of the AGAR (and section 4 of the Practitioners Guide 2025), to report on the effectiveness of the Council's systems of internal control, and make recommendations where appropriate.

Overall Conclusion of the Interim Internal Audit

On the basis of the programme of work undertaken during the interim internal audit (as set out on subsequent pages), my conclusion is that the Council has maintained adequate and effective internal control arrangements. The new staff team has introduced new processes and strengthened practices in all areas and my recommendations cover some of the remaining issues which in most cases are already included in the clerk's and RFO's own action lists for 2025/26.

1 Accounting Records & Bank Reconciliations

a) Objective

To assess whether the Council maintains appropriate accounting records and that bank reconciliations are properly carried out.

b) Detail

- i. Bank accounts are reconciled to 31st December 2025 (25 days prior to this review visit). The council now uses Unity Trust as its current account having switched from Barclays during the year (Finance minute 25/20). The EDGE system still posts the payments raised into the Barclays account code as that is set as the default. This can't be changed until 01/04/26 so in the meantime the RFO is moving the transactions with a daily journal on EDGE.
- ii. Financial Services Compensation Scheme (FSCS) limit of £120,000. But as income last year exceeded an equivalent of EUR500000, the council's deposits may not be eligible for the FSCS.
- iii. Council's cash reserves are over £100k and it has an [Investment Policy](#) in place, adopted 13/03/25 (minute 25/071). Most of the document explains the context and theory to be used in creating an investment strategy: it is a little light on actual strategy except for section 7. Para 7.1 needs amending as the council is most likely not covered by FSCS and further detail would be useful on the due diligence processes operated to safeguard funds in the absence of FSCS cover.
- iv. The Council maintains their accounting records on the EDGE system. Transactions are input as they arise to keep the system up to date. Council generally meets on the second Thursday of the month allowing time for preparation of month end statements.
- v. VAT is identified separately in the accounts coding structure.
- vi. Accounts are prepared on an I&E basis. The closing balances on the 2024/25 AGAR agrees to the opening balances on EDGE.
- vii. The Council's computer systems are backed up by their IT provider (M Page) to the cloud.
- viii. All transactions in the cash book / accounting system have been entered to end of December 2025 and bank account balances reconciled to bank statements at the end of each month.
- ix. Bank reconciliations are checked and signed monthly by a councillor who is not the chair or a signatory as required by FR 2.6. Reminder that FR2.6 also says that the bank statements should be initialled.
- x. Sample of transactions trailed through from source docs and bank statements to payments for approval list (dated 05/11/25) which was presented to full council meeting 06/11/25. The list is a combination of the payments lists produced by EDGE and authorised/paid by councillors at various times during the month. The list I reviewed included 6 items in the middle that appear on EDGE list 17 (sent to councillors 13/10/25) with the earlier transactions most likely from list numbers 15/16 and those later from 18/19 but I did not have hardcopies of the EDGE lists to check.

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong.

Recommendation:

- Revise the format of the Investment Strategy at next review to make the policy context much briefer and set out the council's strategic approach to investment.

2 Corporate Governance

a) Objective

To assess whether the Council has a robust regulatory framework in place, that Council is following its own Standing Orders, Financial Regulations and adopted policies, and that actions undertaken are lawful in nature and follow proper practices.

b) Detail

- i. The Council Minutes have been reviewed for the year to date by reference to the Council's website to explore recording of payment authorisation, recording of council decision making, adoption of policies and procedures, and to identify whether any issues arise that may have an adverse effect on the Council's future financial stability, either in the short, medium or longer term.
- ii. The Council has correctly provided the proper opportunity for the exercise of public rights in respect of the year to 31st March 2025 in accordance with the requirements of the Accounts and Audit Regulations at the appropriate time
[Notice of Public Rights 2024-25.pdf](#)
- iii. Standing Orders and Financial Regulations and were reviewed and adopted at the meeting on 15 May 2025 (minutes 25/154 & 25/155).
- iv. Publication Scheme was last adopted 01/04/21 although FOI policy was reviewed and adopted at the meeting on 27 May 2025 (minute 25/172a). The publications scheme needs updating: at present it repeats the requirements that are set out in the FOI policy, without actually setting a framework for location of free information and charges for other info or for printed documents.
- v. The clerk keeps a schedule listing the policies, last review, next review, loaded onto website and committee responsibility. All the [council's policies](#) are on the website.
- vi. The council has policies in place for CCTV, IT, Email, Press and Media and GDPR and many of others.
- vii. Councillors use dedicated .gov email addresses for council business.
- viii. The RFO draws up a schedule of regular payees in accordance with FR 6.6 (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items) which is agreed by council.
- ix. A Finance item 'to approve and agree a list of payments' appears on full council agendas, often with no payments to be approved. This is because the council has very few payments that need to be 'approved'. Most items that appear on 'the list' when one is presented are retrospective reporting of payments made under 7.10 (made by resolution) or under 7.11 (made to list of regular payees, except that payments made by DD and to staff are not included on the list). There is however full disclosure of all expenditure (and income) for each month, published on the Finance page of the website (personal details redacted as allowed by FR 6.4). It would be useful if the Finance item on the agenda clearly distinguish between payments yet to be made (as needing full council approval under FR6.9), and payments being reported (as those already paid under FR7.10 and FR7.11). The monthly payments report published on the Finance page might satisfy the latter as well as meeting the requirement of FR7.8.
- x. The council has adopted General Power of Competence 13 January 2022 (minute 21/332). This carries over to the next local Government election even though there has been a change of clerk, currently not CiLCA qualified but working towards.

- xi. The Council maintains a website which meets the requirements of the Transparency Code (i.e. the main financial principles imposed on councils with an income below £25k and implied for all councils) and requirements of the Accessibility Act.

c) Assessment and Recommendation

Proper practices are applied but some attention is required in a couple of areas.

Recommendations

- Revise the format of the Publications Scheme as it is a requirement to advise to the public how / where they can access different types of information and whether it is free of if there is a charge e.g. for printed material. There is no need to repeat the theoretical framework as that is included in the FOI policy.
- Consider a slightly different presentation of information under the Finance item of each full council agenda to clarify payments that are being reported as already made, and those for which approval is sought. Consider which information (if any) needs to be included with the agenda.

3 Expenditure

a) Objective

To assess whether the Council applies its own Financial Regulations, keeps its bank mandate up to date and accounts properly for VAT.

b) Detail

- i. Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due.
- ii. The council has a corporate Barclaycard with a credit limit of £6000. There are currently 2 users (RFO and a councillor) and an application has been made to provide a card for the clerk. Each cardholder will have a limit of £2000 each. The RFO is the card administrator. The card is settled by DD each month.
- iii. Most payments are made to staff under contract, by resolution (FR7.10), to regular payees as agreed on a list (FR7.11) or under delegated powers (FR5.15). Once council has agreed an order, a purchase order is raised and the item purchased or the contractor instructed. When items require specific council approval that has not already been given, they are included on a list for approval at a full council meeting.
- iv. A separate minuted item reports on payments made under delegated powers (minutes 25/237, 25/267, 25/299, 25/337) made under FR 5.15.
- v. As invoices are received the RFO first checks them against the PO system and gets confirmation that the item or service has been delivered. Source documents are marked with the name of the committee that approved them, the account code for posting and the agenda reference and meeting date when they were approved. The EDGE transaction number allocated by the system might be a useful addition to the source documents. The RFO raises the transaction as a payment on the EDGE system. EDGE creates a payments for approval list: the lists are sequentially numbered.
- vi. The RFO sets up the payments on Unity Trust bank and emails the payments for approval list and scanned copies of the source documents to the 4 members of the finance committee. 2 members release the payment
- vii. To date in 2025/26 there are 7 payments of over £3000 (ex VAT) which fall within the FR threshold (FR5.8) requiring 3 fixed price quotes. The assistant clerk obtains quotes for the council, prepares reports for the resolution agenda item, and keeps a folder of

those accepted / agreed by the council for preparation of purchase orders. I did not have time during this audit to track each of the payments over £3k back to the quotes folder and minute reference, but I can pick this up at the year end.

- viii. There were no payments of over £25k ex VAT requiring tenders so far this year. A tender was put on Contract Finder in November (25/349). Council agreed a Grounds Maintenance tender at their meeting on 15 January 2026 (minute 26/16)
- ix. The bank mandate with Unity Trust has three authority levels to view, submit and authorise release of payments. Clerk and RFO have authority to view and set up. 4 councillors have authority to release payments.
- x. The council is registered for VAT and charges VAT on vatable supplies. The RFO only reclaims VAT where the invoice or account is in the name of the council or where the purchase is clearly for council activity. VAT is charged on the sales of dog bags and food bags. Vat is also included in the parking charges collected by NEPP, although the calculation is not shown on remittance advice notes. VAT is recorded in a VAT control account and a return submitted quarterly through Making Tax Digital systems.

c) Assessment and Recommendation

Proper practices are applied and controls over council agreement and release of payments is strong. Recommendation:

- Review the information presented to council on the list of payments for approval, perhaps indicating which are being reported to council as already having been agreed by resolution or made under delegated power, and which require the express approval by councillors.
- Review financial information available to councillors on a shared drive. For example, monthly folders containing receipts, payments, source documents if they would be useful to access.

4 Risk

a) Objective

To assess whether the Council has put in place appropriate arrangements to identify all potential areas of risk, covering financial risks, business continuity, reputational and operational risks, whilst also looking at arrangements exist to monitor and manage those risks.

b) Detail

- i. Risk Assessment Policy (adopted 11/04/24) sets out the theory of risk assessment and use of likelihood and impact ratings. The Risk Assessment itself was approved at the meeting in 3 April 2025 (minute 25/092), with sections for Financial Risks, Office Risks and Open Spaces / Cemeteries, and has recently been reviewed (largely unchanged) but not yet published on the website. The council also has a Health and Safety Policy (adopted 02/01/25) and a Lone Working Policy (adopted 05/06/25 minute 25/190). The H&S Update dated June 2025 provides a summary of risk mitigation actions undertaken at that date (including inspections of some open spaces) and actions being worked on by Chestnut Associates. A master checklist at the front of the H&S folder of all risk mitigation process / checks, date last completed and review dates would be useful.
- ii. Financial section of Risk assessment. This could be stronger on business continuity risk mitigation (e.g. plans related to dealing with cyber-attacks, systems back-ups, alternative work and meeting venues in case of a fire etc), on litigation risks (having

robust processes in place for contract management and appointing specialists where appropriate in early stages of project development), and inclusion of a line on reputational risk (with actions to include a programme of training and compliance with the code of conduct).

- iii. Office section of Risk assessment. The website published version relies on the H&S policy (updated by Chestnut Associates) which is excellent in addressing matters related to staff welfare and training. Staff have completed the DSE 'Workstation checklists'. The Office section of the assessment also needs to cover risks associated with access to the town council offices as a 'place of work' and as a public building for meetings i.e. fire risk assessment, statutory checks on equipment and alarms, water temperature, visual assessment re slips and trips, evacuation procedures, PAT testing etc. I can see from the minutes that PAT is undertaken (25/329) although not mentioned in the assessment. The H&S folder includes a Fire Risk Assessment of the office undertaken 05/06/23 and being reviewed in January.
- iv. Open Spaces/Cemetries' section of Risk Assessment. The first 'risk' in this section is far too general. The inspection requirements of the different types of spaces and council assets need to be separated here, even if the action column then says 'see separate risk assessment'. The risks associated with play equipment, are different to those on an open playing field, a wooded area, allotments, gardens, coastal and riverside areas, public toilets, car parks, cemetery headstones and monuments etc. The mitigating actions to ensure the safety of the public in each area needs to be clear. This appears to have been recognised in the agenda of the meeting 15/01/26 (26/26) and an email in the H&S file (dated 21/01/26) sets out the areas to be separately risk assessed. Noted that a H&S audit was undertaken by Chestnut Associates 29/01/24 on the Skate Park, Bike ramps at the Glebe and Park area at the Glebe highlighting maintenance and the council has recently received quotes or is awaiting quotes for the work. The grounds staff complete weekly inspections of paths and open spaces and these handwritten sheets are kept by the office administrator. There is a tree inspection every 3-5 years
- v. For Grounds Staff, a risk assessment of 'dangerous substances and explosive atmospheres regulations (COSHH)' was undertaken by Wirehouse Employee services on 27/02/25 and is due for review and scheduled for review. A typed checklist includes checks on First Aid boxes, cleaning products, driving licence checks, tool kit checks, safety guard checklist and training. First aid training completed June 2025, working at height Nov 2025 and Manual Handling training completed Dec 2025. There are manual logs in the H&S folder to record condition of safety guards, ladders and fire extinguishers with last entries dated 12/09/25 so presumably are due now. There is also a suite of risk assessments prepared by Chestnut Associates and last reviewed January 2026 badged as 'Safe systems of work' (Ris+A1:F35k Assessments). These rate the severity of hazards for various activities (from walking the boardwalk to using chainsaws) and a suggested control measure to mitigate risk. An annual training session is being planned for the groundsmen to reinforce the use of the control measures each time. The Groundsmen are also creating method statements for safe practices at work.
- vi. Regarding Open Space inspection and risk mitigation actions, the council grounds staff carry out weekly checks of play areas and open spaces and are trained to assess the play equipment (training 08/05/25). The handwritten inspection logs are kept by the

office administrator. There are also more formal quarterly inspections and the minutes record a ROSPA play park inspection (25/240). The Cemeteries are inspected in an ad hoc way by the cemetery clerk and groundsman (who are both trained) and records kept of any action. The last stone to be laid down due to instability was Nov 2025. When a plot is reopened for a burial, nearby stones are checked for movement. Topple testing is undertaken every 5 years in the cemeteries (and at the parish churchyard on a request basis). The next test is due in 2026. The minutes also refer to timing of tree works, potentially inappropriate for the red squirrel population. I was just wondering if there is a connection here with the council's Biodiversity Policy

- vii. Event risks. The council organised a VE 80 Day in May. All arrangements were outsourced to 3rd party contractors to provide and ignite the fireworks, and to provide the security and management of attendees. The third-party companies provided the Risk Assessment and insurance cover for the event. The clerk's report (minute 25/127) confirmed Zurich were happy with this arrangement.
- viii. Internal controls policy was adopted at the meeting 10/04/25 (minute 25/129) but does little more than repeat the controls set out in the Financial Regulations. It does not set out the Purchase order system (tightened at the F&S meeting 18/08/25 (25/24), or explain the systems operated to control collection of amounts invoiced, or specify what the councillors are required to check when approving the list of payments at full council meetings, or what to check in their roles as authorised signatories, nor as signing the bank reconciliations. The document does not confer any additional internal control functions on councillors e.g. spot-checking transactions periodically.
- ix. Project management is included in the 'clerk's report' as a standing item on the agenda to help the council track progress on projects.
- x. Council's insurance is with Zurich, renewal 1st July 2025, agreed at the meeting on 5 June 2025 (minute 25/189) and is a 3-year deal to 30/06/28. Property damage cover was amended at the meeting 4 September 2025 (minute 25/266) to reflect the re-evaluation of insurance needs agreed in May (minute 25/169). Insurance cover for Buildings (7 premises in Part A): Business interruption; Contents (of Melrose Road): Property Damage (items described in Part C): Money; Public liability (£15 million); Hirer's liability (£2million); Employer's liability (£10million); Libel and Slander (£250,000); Motor Vehicles; Fidelity Guarantee (£1million); Personal accident; Legal Expenses. The insurer has confirmed that the policy covers events and use of firework with particular conditions (minute 25/127). There is a separate insurance for the 10 Melrose Road office building: CCC insures the building and invoices WMTC for this.

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong. In general, the council is doing more risk mitigation and applying more internal financial controls than included in its own policy documents.

Recommendation

- Strengthen some of the mitigating actions in the Risk Assessment (Financial) at the next review and widen the scope of those in the Office and Open Spaces sections to better reflect the risks and the mitigating actions that the council has in place.
- Create a master checklist of all risk mitigation processes / checks (showing the date last completed, review date, and staff member to action) for the front of the H&S folder. If appropriate the checklist could be split by committee responsibility.

- If the council wishes to move away from paper inspection logs, consider use of Safety Culture App for regular inspections of open spaces.
- Include details of the internal control processes that the council actually applies in the next review of the Internal Controls Policy. You have strong purchase order systems and income collection systems with excellent divisions of duties.

5 Precept Determination

a) Objective

To assess whether the Council has the appropriate procedures in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from the Local Authority.

b) Detail

- The precept received for 2025/26 agrees to amount requested from Local Authority and agrees to government source document.
- The precept for 2026/27 was discussed by the Finance Committee on 20/01/26 and a proposal for £426088 was agreed at the full Council meeting on 15/01/26 (minute 26/17)
- The chair of the Finance Committee drafts the budget and liaises with the RFO. A separate budget is prepared in excel for each cost centre. The expenditure requirement includes all possible exp needs (including lines for election costs, legal costs, capital costs and contingency spends) and then deducts the relevant accumulated EMR for these items to arrive at the precept requirement.
- The council does not have a 3-to-5-year plan. A strategic aims document was approved 03/11/22 and included projects to 2024 and longer-term plans for which projects were being earmarked at that time. The reserves policy is similarly out of date. It was adopted 07/12/23 but it only sets out the theory of reserves policy creation, rather than actually setting any reserves levels or linking them to council activity. However, the accumulated EMR that are not deducted from the 2026/27 precept requirement calculations, indicate a framework for a longer-term plan project plan (Feldy extension, cemetery entrance, skate park, rafts, VAS sign etc).
- The condition of council assets and the plans from the Council Committees is used to inform the budget and forward planning. The Community Assets and Facilities committee (meetings 01/05/25, 25/06/25, 12/08/25 and 11/11/25) and the Environment and Community Services Committee (meetings 04/06/25 and 17/10/25) manages improvement projects in respect of the numerous sites for which the council is responsible.

c) Assessment and Recommendation

d) Proper practices are applied and internal controls are strong.

Recommendation

- When the Strategic Aims Document and Reserves Policy are reviewed, consider combining them to set out council strategy.

6 Budget Control

a) Objective

To assess whether the Council has an effective reporting and monitoring process in place to review actual expenditure against budget and ensure it retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

b) Detail

- i. Committee delegated spend authority. The terms of reference echo the Financial regulations – ‘Expenditure on revenue items may be authorised up to the amounts included for that budgeted item in the approved budget’ and on items up to a limit of £4999
- ii. The EDGE system has separate cost centres for Council, Toilets, Assets Facilities & Environment, Sport & Recreation, Waterside, Traffic & Transport, Personnel, Bradwell, Cemetery, General, Mayor’s Allowance and NP. This enables each of the committees and working groups to monitor the finances in respect of their areas of responsibility. Tailored reports can be provided for meetings.
- iii. Councillors receive an actual v budget report each month but the minutes do not record a formal discussion at full council.
- iv. The finance committee meeting on 18/08/25 reviewed the budget (minute F25/16). An A v B report formed part of the precept setting discussions.
- v. The level of general reserves is maintained at 25% precept plus income. EMR is appropriate, covering planned projects, potential risks (e.g. burials, additional staffing costs) and potential activities.
- vi. There are no ring-fenced reserves for grant funds at present.

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong. There are no recommendations in this area of the Report

7 Income

a) Objective

To assess whether the Council has procedures in place to ensure that all income due is identified, invoiced (if necessary), recovered and banked in a timely manner.

b) Detail

- i. The sources of income available to the Council (in addition to the precept and VAT refunds) are Grants, Allotment fees, burials and memorials, car park, rental / lease income, gate licences, hire of chambers, various sales (dog bags, food bags, garden bags etc) and interest.
- ii. Monthly Receipts are reported to councillors and published on the Finance page of the website. Most receipts are by direct credit. Cash and cheques are not accepted. Receipts can also be taken by card reader at the front desk. Charges deducted from receipts are correctly treated as expenditure.
- iii. Charges and fees for Allotments, gate licenses, cemetery and car parking have been reviewed during the year (minutes 25/296 & 25/297). Allotment fees were further increased wef 01/01/26 (minute 25/363).
- iv. Car park charges are collected by NEPP and paid to the council net of NEPP fees. The net amount will need to be grossed up at the year-end to that the NEPP costs for the service are shown as expenditure.
- v. An excel spreadsheet is used to record allotment plots and licence holder contact details. The office admin assistant keeps the spreadsheet up to date: The RFO raises the invoices which are saved in a separate folder, and the admin asst sends it out with the licence. When settled the spreadsheet is updated and is reconciled with EDGE at the year end.

- vi. An excel spreadsheet is manages gate licence fees using a similar process to allotments.
- vii. The council operates 3 cemeteries. Eptaph is used by the Cemetery clerk for burial ground /cemetery fees to record services and issue invoices. The software communicates with EDGE to raise income due to the council. The Cemetery clerk uses a spreadsheet to manage dates of funerals and keep a record of forms sent, received etc. Grave numbers are allocated: each plot has a note to show if it is pre-purchased, pending or available. Paperwork system is well managed. Eptaph produces an unpaid income report which can be reconciled to EDGE.
- viii. All of the income collection processes include a good division of duties between staff which strengthens internal control.

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong. There are no recommendations in this area of the Report

8 Petty Cash

a) Objective

To assess whether the Council follows good practice when making cash payments.

b) Detail

Council does not operate a petty cash account

9 Salaries

a) Objectives

To assess whether salaries to employees and allowances to members are paid in accordance with the Council's approvals, and PAYE, NI and pension requirements were properly applied.

b) Detail

- i. At the time of this visit the council employs a Clerk, RFO, Cemetery clerk/ asst to clerk, Office Admin assistant, 2 Groundsmen and a Housekeeper. Until April 2025, the council employed a 3rd groundsman.
- ii. Staff can claim expenses for mileage and reimbursements which are paid with salary on the last day of each month. Expenses are correctly analysed to Box 6.
- iii. Payroll services are provided by Beaumont Seymour who use sage payroll. The RFO can access reports through a portal to check gross pay and expenses and download the payslips. HMRC is paid quarterly.
- iv. Staff contracts do not include annual SCP increments and NJC cost of living increases. The Financial Regulations (FR 11.3) say that 'Salary rates shall be agreed by the council, on a recommendation from the Personnel and Finance committees.' The NJC awards for 2024/25 was noted at the meeting on 22/08/25 (minute P25/60) but with no action as the 2025/26 pay scales were set as part of the previous year budget. At their meeting on 20 January 2026 the Finance and Strategy committee approved a 2026/27 wage structure for inclusion in the budget (minute F26/07) setting out pay increases from 01/04/26. The RFO will advise Beaumont Seymour of the new rates. Beaumont Seymour was also advised of arrangements for a staff member on jury service (25/393).
- v. Additional hours worked are taken as TOIL. i.e. there are no overtime payments. The housekeeper is paid extra for bank holiday working.

- vi. The council's pension is with LGPS. The PN11 is completed by the RFO and payment made monthly. Reminder that the admin fee is a box 6 expenditure item.
- vii. Personnel committee oversees all staff matters and has met 4 times so far this year and various reviews undertaken. Worknest reviewed staff contracts in May (P25/47). Office opening times were reviewed in August (P25/59). Staff roles were reviewed in October and JDs amended (P25/83 & P25/93). The staff handbook was updated by an HR provider (25/91).
- viii. The Clerk manages all staff and reports to the Personnel committee. The Groundsman complete time sheets which were reviewed at the Personnel committee meeting in November (minute P25/84). H&S policy covers staff training and supervision, mindful of staff welfare.
- ix. RFO probation period was noted as completed in April 2025 (25/117). Staff appraisals were undertaken in November (P25/90).

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong. There are no recommendations in this area of the Report

10 Asset Register

a) Objective

To assess whether the Council maintains a register of assets identifying detail of all land, buildings, vehicles, furniture, equipment and leases owned by the Council, recorded in accordance with its own policies.

b) Detail

- i. The asset register is kept on an excel spreadsheet with separate worksheets for different types of assets: Land, Buildings, Play Equipment, Street Furniture, Machinery & Equipment, Office, Vehicles. Each worksheet has details of the council's assets under that category with columns for description, location, acquisition date, acquisition cost, replacement cost, AGAR value, Insurance value, custodian, disposal date, notes. Acquisitions are highlighted in Blue and disposals in green, with previous year changes shown at the foot of the worksheets.
- ii. The council has an asset register policy which says that the register is maintained at acquisition cost and that items must have a minimum purchase value of £50. It also says that acquisitions and disposals are updated every 6 months.
- iii. The register was approved at the meeting 15 May 2025 (minute 25/156). It was updated in October 2025 with a laptop (£910). Source documents show that assets are correctly added at cost ex VAT. No other assets have been purchased so far this year.
- iv. The register was physically checked at the time the council approved it and various items were added to the street furniture section in purple text.
- v. The council undertook an asset reinstatement assessment, reported at its meeting in September 2025 (minute 25/266). The insurance policy was updated and new insurance values for the 7 buildings were added to the register as confirmed by email 11/09/25 (and a refund issued as over insured).
- vi. The property damage cover looks sufficient to cover the assets but the figures in the insurance column do not match the policy schedule.

- vii. The council owns all assets except for the Council office in Melrose Avenue (leased from Colchester Borough Council) and the allotments (leased from Mr Crisp). The allotment lease was renewed in July 2025 (minutes 25/211 and 25/217 & 25/317).
- viii. Some of the council's land at Glebe 2 is leased to other organisations: leases being renegotiated 25/141).

c) Assessment and Recommendation

Proper practices are applied and internal controls are strong. There are no recommendations in this area of the Report

11 Investments and Loans

a) Objective

To assess whether long term investments (commitments for more than 12 months) are held in accordance with an adopted investment strategy/policy and are recorded as assets. To assess whether loan repayments due to or payable by the Council are transacted in accordance with appropriate loan agreements.

b) Detail

- i. There are no long-term investments.
- ii. Total funds held are in excess of £100,000. The [Statutory Guidance on Local Government Investments](#) defines all funds as 'investments' (para 4) and requires the Council to have an investment strategy (para 14)
- iii. There are no loans from external bodies - PWLB or others

c) Assessment and Recommendation

- As set out in section 1, it is recommended that Council reviews its Investment Strategy

12 Trust Funds

a) Objective

To assess whether the Council has met its responsibilities as sole trustee for charities where that applies.

b) Detail The Council is not a sole trustee