

Appendix 5 to Agenda Item B2
Internal Audit Report 2024/25

Internal Audit Visits:		Visit Date 1: 14/11/2024	Visit Date 2: 16/04/2025
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Internal Control Objective	Agreed? Please select from drop down box:	Comment: If the response is 'no' please state the implications & action being taken to address any weakness in control identified. If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not.
A. Appropriate accounting records have been kept properly throughout the year	Yes	
B. The Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.	Yes	
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Yes	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	
F. Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.	Yes	
G. Salaries to employees and allowances to members were paid in accordance with the joint committee approvals and PAYE and NI requirements were properly applied.	Yes	
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	
I. Periodic and year-end bank account reconciliations were properly carried out.	Yes	
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, were supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	Yes	
For any other risk areas identified by the Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:		

Name of person who carried out the Internal Audit:	Daniel Mees
Date of Internal Audit:	16/04/2025

KEIFCA Annual Return 2024-25

Each Section should reconcile back to the Detail for Annual Return
For approval by the Chief Accountant, Kent County Council

Sections	Completed By:	Completed Date:	Approved By:	Approval Date:	Approver Comment:
Detail for Annual Return	Su Martin	13/05/2025	Joe McKay	16/05/2025	
24-25 Reconciliation	Su Martin	13/05/2025	Joe McKay	16/05/2025	
Section 2 - Return by box headings	Su Martin	13/05/2025	Joe McKay	16/05/2025	<p>Checked to ensure ROU Assets for IFRS 16 have been included in total assets figure</p> <p>Other income is significantly higher compared to previous year - per variances explanations this is mainly due to £300k capital grant income for new vessel</p>
Section 21 Explanation of Variances	Su Martin	14/05/2025	Joe McKay	16/05/2025	
Box 3 Total Receipts	Su Martin	14/05/2025	Joe McKay	16/05/2025	
Box 7 Reserves	Su Martin	14/05/2025	Joe McKay	16/05/2025	
Box 9 Fixed Assets & Long term investments	Su Martin	14/05/2025	Joe McKay	16/05/2025	
Box 7 to Box 8 Reconciliation	Su Martin	14/05/2025	Joe McKay	16/05/2025	
Bank Reconciliation	Su Martin	14/05/2025	Joe McKay	16/05/2025	
March 2025 Lloyds Bank Statement (filed separately)	Su Martin	14/05/2025	Joe McKay	16/05/2025	Checked to monthly bank reconciliation file for Lloyds Account

Explanation of variances – pro forma

	2023/24 £	2024/25 £	Variance %	Explanation Required?	
1 Balances Brought Forward	1,614,073	1,840,971			
2 Precept or Rates and Levies	983,944	1,013,462	3.00%	NO	
3 Total Other Receipts	494,012	859,562	74.00%	YES	See tab Box 3 - explanation of error in 2023/24 balance & variances for 24/25
4 Staff Costs	702,553	773,690	10.13%	NO	
5 Loan Interest/Capital Repayment	0	0	0.00%	NO	
6 All Other Payments	548,505	621,456	13.30%	NO	
7 Balances Carried Forward	1,840,971	2,318,849			See tab Box 7
				YES	
8 Total Cash and Short Term Investments	1,523,768	1,702,125			
9 Total Fixed Assets plus Other Long Term Investments and Assets	1,877,164	2,271,658	21.02%	YES	See tab Box 9
10 Total Borrowings			0.00%	NO	

2023-24 Correction

Total other Income should also have included the FAP reserve income of 2k

In 2023/24 total income was stated as:

Other Income	-£ 492,011.76
DEFRA	-£ 186,500.00
Whelks	-£ 3,547.00
NLTO/Training	-£ 17,106.71
cockles	-£ 122,946.00
cockle survey	-£ 27,134.00
CEFAS survey	-£ 4,500.00
Training	-£ 400.00
Oyster Survey	-£ 8,990.00
Shellfish sampling	-£ 3,328.00
Cap other Exp	£ -
Interest	-£ 117,560.05

This should also have included:

reserve other income	-£ 2,000.00
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Total: **-£ 494,011.76** Corrected in 2024/25

Explanation of Box 3 Variances:

Income Category	2023/24	2024/25	Variance	Explanation
Income: Hire of Vessels	-£ 10,918.00	-£ 2,188.27	£ 8,729.73	
Interest & Investment Income	-£ 117,560.05	-£ 143,139.26	-£ 25,579.21	+25.6k increase in KCC Investment income in 24/25
Other Costs: Contribution and Grants	-£ 142,863.03	-£ 527,000.00	-£384,136.97	+300k Capital grant for new vessel +84k grants for marine sustainable dev, razor clam, Good environmental status and FMP
Reserves: Other income	-£ 2,000.00	-£ 1,500.00	£ 500.00	
Survey and Project Costs: Licenses and Fees	-£ 126,493.00	-£ 134,432.00	-£ 7,939.00	
Survey and Project Costs: Research Fund	-£ 6,300.00		£ 6,300.00	
Survey and Project Costs: Surveys	-£ 27,134.00	-£ 27,985.00	-£ 851.00	
Survey and Project Costs: Training Programme	-£ 17,106.71	-£ 23,317.42	-£ 6,210.71	
Survey and Project Costs: Contributions and grants	-£ 43,636.97		£ 43,636.97	-43k DEFRA FMP grant funding for Research post staffing, included in Other Costs in 24/25
Grand Total	-£ 494,011.76	-£ 859,561.95		

Explanation for ‘high’ reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	2023-24	2024-25	
	£	£	£
Earmarked reserves:			
Renewals Reserve	-£757,363	-£748,436	£8,927
Useable Capital Receipts	-£81,047	-£118,047	-£37,000 Part Ex income due to sale of 1 x Toyota HiLux, 2 x VW Vans, 2 x quad bikes
FAP Reserve	-£20,996	-£22,496	-£1,500
DEFRA FMP Grant (NRA)	-£142,863	-£106,128	£36,735 Difference between DEFRA income and Expenditure during 24/25
Replacement Vessel Reserve	£0	-£147,548	-£147,548 New Reserve to hold remaining Cap grant from DEFRA to fund the build for the new vessel Nemo
	-£838,702	-£1,176,194	£0
			-£337,492 80k - Marine Sustainable Dev RSG
			97k - Razor Clam Cap Grant & Good Environmental Status and Marine Sustainable Revenue Grant
			119.1k - KCC interest surplus transferred to General Reserves to be held for potential liabilities relating to the T24 Regulatory Order
			37k - surplus 2024/25 to legal budget, transferred to General Reserves to be held for potential liabilities relating to the T24 Regulatory Order
			4.4k - transfer of budget surplus for website development to support continued work in 25/26
General reserve			
	-£1,840,971	-£2,318,849	
Total reserves (must agree to Box 7)			0

Fixed Asset	2023/24	2024/25	Variance	Variance Explanation
Vessels : Nerissa, Vigilant & Nemo - Gross Book Value	1,277,313.83	1,474,687.26	197,373.43	+197.4k for Nemo 1st and 2nd Stage payments
Vessels: Tamesis Gross Book Value	449,923.79	449,923.79	0.00	
Vehicles: Gross Book Value	93,134.59	119,640.50	26,505.91	+26.5k difference in value for the new replacement vehicles (1 x Toyota Hilux and 2 x Toyota Corolla)
Quad Bikes: Gross Book Value	40,753.33	42,353.33	1,600.00	
Underwater Camera: Gross Book Value	16,038.00	16,038.00	0.00	
Right Of Use Assets: Gross Book Value	0.00	169,015.50	169,015.50	+169k relating to the lease values of Paragon House, Ramsgate and the Sail Loft, Brightlingsea which are now included due to reporting requirements for IFRS16