

Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Cranford Parish Council		
Name of Internal Auditor:	K Houlihan	Date of report:	22/04/2024
Year ending:	31 March 2024	Date audit carried out:	22/04/2024

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from the internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chair of the Council:

Firstly, I would like to congratulate the Clerk on obtaining the Certificate in Local Council Administration (CiLCA). I know the council supported the Clerk in obtaining the qualification and this is welcomed. I'm sure the council will benefit from this moving forward.

The audit meeting took place on 22 April 2024. Prior to the meeting I reviewed the information available on the council's website, including minutes, financial information, and council policies, as well as other documents sent to me by the Clerk. Information on the council's website is well ordered and easy to find, policies are up to date and reviewed regularly.

All the information relating to the 2022-2023 audit was on the website and published within the correct timescale.

I reviewed the cashbook and year-end bank reconciliation; all was in order; the accounts are maintained in excel and are well laid out and clear. The minutes show that regular bank reconciliations are conducted, and bank balances are regularly reported to the council.

I followed the audit trail for several transactions and in all cases the audit trail was clear. Payments were supported by invoices and approved at council meetings. Appropriate authority was in place to make the payments.

A councillor is appointed to carry out internal control checks and checks the bank statement, bank reconciliation, income received (including VAT claimed), invoices, receipts for the Clerk's reimbursements, the Clerk's payslip, and the VAT to be claimed. This is reported to council on a regular basis. As the council has only a small number of transactions each month and these are generally low risk, it would be appropriate for these checks to be carried out quarterly. This may ease the work for councillors.

The council has carried out a risk assessment and has appropriate insurance in place. I understand that the council was committed to a Long-Term Agreement with their current insurer but this will be reviewed again ahead of the next renewal..

I note that the council is moving their website and email across to a .gov which is in line with guidance in the [Practitioners Guide](#).

The Clerk has recently set-up a What's App group to keep councillors up to date with reminders around meetings and diary dates. I suggested that the council agree a short protocol around this, to be clear that the group is for sharing reminders about meetings or alerting councillors to an important email. But not for discussion, and never decision, on council matters.

During my review I noted that Cranford Parish Council does not display members Registers of Interest (ROI) on their website, but rather links to North Northamptonshire Councils (NNC) website, this is allowed. However, the information displayed on NNC's website for Cranford Parish Council is out of date. The council should ensure that the NNC have the correct information and that all members have completed their Register of Interests. It is good practice for these to be reviewed annually.

Asides from the ROI I am pleased to advise the council that I do not have any issues or concerns to raise at the current time and I have completed the Annual Internal Audit Report accordingly.

When declaring itself exempt from external audit the council should ensure that they meet the publication requirements detailed on page 1 of the AGAR.

If you have any queries please do not hesitate to contact me.

Yours sincerely,

Kate Houlihan

Internal Auditor to the Council

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2023	Year ending 31 March 2024
1. Balances brought forward	12,101	14,227
2. Annual precept	11,990	11,990
3. Total other receipts	1,058	339
4. Staff costs	3,782	4,103
5. Loan interest/capital repayments	0	0
6. Total other payments	7,140	3,738
7. Balances carried forward	14,227	18,715
8. Total cash and investments	14,227	18,715
9. Total fixed assets and long-term assets	19,422	20,837
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>