

## 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:	12/05/2023
Year ending:	31 March 2023	Date audit carried out:	02/05/2023

*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 Chairman of the Council:**

The audit took place on 2 May 2023, and I would like to thank the Clerk for her assistance during the audit. Prior to the audit I reviewed the information available on the council's website and documents sent to me by the Clerk. Information on the council's website is well ordered and easy to find.

During the audit meeting I reviewed signed copies of the minutes, and all was in order.

A councillor is appointed to carry out internal control checks and they will check the bank statements, bank reconciliation, income received (including VAT claimed), invoices, orders for 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.

I followed the audit trail for payments made in May and in all cases the audit trail is clear. Payments were supported by invoices and approved at council meetings, appropriate authority was in place to make the payments, and these were matched to bank statements. VAT returns have been completed and reconcile to the underlying records.

I noted that the council use HMRC basic tools for payroll, deductions are made correctly, and I was able to track payments to HMRC through the bank statements.

The council has carried out a risk assessment and has appropriate insurance through Gallaghers. The Clerk is about to undertake a review of the council's insurance and obtain quotes to ensure best value.

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:

	<b>Year ending 31 March 2022</b>	<b>Year ending 31 March 2023</b>
1. Balances brought forward	6743	12101
2. Annual precept	11644	11990
3. Total other receipts	6367	1058
4. Staff costs	3462	3782
5. Loan interest/capital repayments	0	0
6. Total other payments	9191	7140
7. Balances carried forward	12101	14227
8. Total cash and investments	12101	14227
9. Total fixed assets and long-term assets	18092	19422
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>