

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:	Kate Houlihan	Date of report:	05/05/2025
Year ending:	31 March 2025	Date audit carried out:	

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 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:

I completed the year-end audit for Cranford Parish Council on 9 April 2025. I would take this opportunity to thank Pat Bird, the Clerk, for her assistance.

To complete the audit, I:

- Reviewed documents supplied by the Clerk.
- Reviewed information available on [Cranford Parish Council – News and updates from Cranford Parish Council](#)
- Met with the Clerk on the 9th April 2025

By reviewing all the information available, I accessed a well-ordered and detailed set of documents and records. Through examining these documents and records, along with further questioning, I assessed aspects of the council's internal controls as required for the Internal Audit section of the Annual Return Form 2.

I examined the audit trail for a sample of transactions during the financial year. The audit trail was clear. The year-end bank reconciliation was reviewed and matched to the bank statements. I reviewed the Clerk's payslip for January 2025; the correct hourly rate was

used, and deductions for Income Tax and Employee NIC were correct. The asset register was reviewed.

I would draw the council's attention to the following points:

The council has conducted works to the pocket park, although the ownership of the land remains unclear. I would urge the council to clarify the ownership of this land as soon as possible.

The council has transitioned to a new website with a .gov domain, there are a few documents that need to be uploaded to the new website, and I know the clerk is in the process of doing this. All relevant documents were previously available on <https://cranfordparishcouncil.uk/>

The council's email address is a "Gmail" account. I know the council plans to transition to a .gov.uk email address. This will be an audit requirement from 2025-2026 and I am sure the council will complete this transition in the near future.

All councillors will be required to complete a revised register of interests, in line with the new term of office. This should either be displayed on the council's website or linked to North Northamptonshire Council's website.

The Clerk asked me to review the purchase of the stone planters at the entrances to the village from the A14 and from Hanwood Park. During the course of the project the cost of the planters increased by 50% from the original quote. This increase was approved during a site visit with the contractor, Clerk and Chair. The council retrospectively approved payment of the contractor's invoice once works were completed and appropriate payments were made to cover this cost. However, the council did not approve the revised pricing before the planters were installed. The Council's Financial Regulations in place at the time, did not give sufficient delegated authority for this expenditure to be approved without formal approval from the council. I appreciate this was a difficult situation as there were pressures to complete the works, and delaying may have caused costs to rise further. However, given the cost of £6,000 this was significant expenditure for the council during the year. I would suggest that in future when approving expenditure for larger projects the council considers approving a suitable contingency over and above the quoted price. The contingency can then be used at the Clerk's discretion. Accordingly, I have answered NO to assertion B on the Annual Internal Audit Report.

I am satisfied that effective policies and procedures, together with systems to manage, monitor, and control the council's business, are in place. Accordingly, I was able to answer 'yes' to all other questions and identify areas that are not applicable to the council.

Yours sincerely,

Kate Houlihan

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

	Year ending 31 March 2024	Year ending 31 March 2025
1. Balances brought forward	14,227	18,715
2. Annual precept	11,990	12,015
3. Total other receipts	339	2,054
4. Staff costs	4,103	4,794
5. Loan interest/capital repayments	0	0
6. Total other payments	3,738	15,407
7. Balances carried forward	18,715	12,583
8. Total cash and investments	18,715	12,583
9. Total fixed assets and long-term assets	20,837	27,222
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 (2024)*. 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://northantscalc.gov.uk/practitioners-guide>.