

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:	J Hodgson	Date of report:	27/04/22
Year ending:	31 March 2022	Date audit carried out:	27/04/22

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 Chairman of the Council:

I have utilised the Council's website to view necessary information as well as meeting with Pat today.

I note that Pat is new to the role of clerk and is undertaking the CICLA qualification which should be supported. I am aware that she is now gaining a greater understanding of why certain processes are done in the way that they are and you should expect Pat to adapt her working practices according to best practice and legal necessities she learns.

I note that in last years internal audit report that there was a recommendation that Minute pages are numbered. The physical minute book is the legal record of the council and it is what you will rely on in court should that be necessary. In order for looseleaf minutes to be lawful, the pages must be sequentially numbered. This is set out in the Local Government Act 1972 Sch. 12 para 41 (2). I therefore recommend that a system of page numbering is introduced from the start of the civic year.

The Council does not hold the General Power of Competence and, therefore, the legal powers pertaining to each financial transaction should be identified either within the cashbook or the minutes – this shows the public that their money is being spent on items the Council has the legal right to do so. Pat has told me that she will be reinstating this practice.

I would add that I saw nothing within the financial documentation to suggest the Council had acted ultra vires, beyond its powers, and utilised public on items they should / could not have done in this financial period.

I have discussed with Pat the obligation for parish councils to meet accessibility regulations WCAG 2.1. These came into effect in 2020. Whilst the form of the minutes and other documents is the prerogative of the clerk, there should be a process in place to ensure all council records that are created by the council and the website are accessible to people with disabilities.

I have drawn Pat's attention to the *Governance and Accountability for Smaller Authorities in England*, to which there is a link below, and suggested that she examines the section on 'internal control' to ensure the council's practices are as robust as possible.

I would like to thank Pat for her assistance during the audit process.

Having tested all of the objective of internal control as set out in Internal Audit section of the AGAR, through the examination of the evidence and discussions with Pat I am satisfied that the Council has met the requirements and I have signed off the AGAR as required.

Yours sincerely,

J Hodgson

Ms Jenny Hodgson
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	7685	6743
2. Annual precept	9800	11644
3. Total other receipts	631	6367
4. Staff costs	5191	3462
5. Loan interest/capital repayments	0	0
6. Total other payments	6182	9191
7. Balances carried forward	6742	12101
8. Total cash and investments	6743	12101
9. Total fixed assets and long-term assets	10875	18092
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>