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Internal Audit Report

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

Name of council:	Croughton Parish Council		
Name of Internal Auditor:	Catherine Camp	Date of report:	19th May 2025
Year ending:	31 March 2025	Date audit carried out:	19th May 2025

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 met with Karen Kerby (Clerk & Responsible Financial Officer) on 19th May 2025 to carry out an Internal Audit for Croughton Parish Council. The Internal Audit was carried out remotely by email and video-conferencing. I would like to take this opportunity to thank Karen for her assistance and co-operation in delivering the audit.

Firstly, I sought evidence that all Audit Paperwork from the previous year had been reported to the council and published on the website in line with Accounts and Audit Regulations 2015 - it had. I then sought evidence that the recommendations had been noted by the Council and implemented - they had.

I examined the publicly available information displayed on the council's website including council policies, procedures, agendas and minutes, financial and other records. I examined the council's arrangements for the management and control of its business in book-keeping, due process and compliance with proper practices as set out in the Practitioners Guide, risk assessment, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures including the public display of information.

Croughton Parish Council maintains excellent financial records which are clearly documented within the minutes. A robust system of internal control is in place and regular reporting of the money received, payments made, and Bank balances takes place.
There is a good budgetting process in place.
I found the website easy to navigate and clearly signposted.
Minutes are clear and concise. I suggest that historic minutes are lodged with Northamptonshire Record Office as they must be kept indefinitely as a permanent record of proceedings.

I would like to bring the following matters to the attention of the council:-

a) Agendas should include the date that they were produced, so that it is obvious that they were published in time to allow 3 clear days to elapse between publishing and the day of the meeting.

b) VAT - when reclaiming VAT it is advisable to include the dates that the refund refers to.

c) Following the recent Election on 1 May 2025 this council is no longer eligible to hold General Power of Competence. The Council needs to understand the powers by which it is spending public money and record these in either the minutes or the cash book.

POWERS TO SPEND MONEY Expenditure is governed by legal powers. Where a Council is to rely on the Free Resource s137 Local Government Act 1972, a resolution should accompany that Minute at the time the decision to incur the expenditure is made.
A separate record should be kept in the cashbook of s137 payments.

("…resolved that the Council in accordance with its powers under sections 137 and 139 of the Local Government Act 1972, should incur the following expenditure which, in the opinion of the Council, is in the interests of the area or its inhabitants and will benefit them in a manner commensurate with the expenditure *of* …….")

d) The Council ought to have an Equal Opportunities policy in place.

e) Make sure Risk Assessments are kept updated.

Croughton Parish Council is an extremely well run with a very competent and efficient clerk which is serving its community well. I wish you well in filling your remaining council seats.

Through examination of evidence and questioning,I tested the internal contols and I am satisfied that in all significant respects the internal control objectives were achieved throughout the financial year ending 31 March 2025.

Please find the completed and signed Annual Internal Audit Report (AIAR) for 2024/25 attached.

Yours sincerely,

Catherine M Camp

Mrs Catherine Camp FSLCC; PIALC
Internal Auditor to the Council
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PIALC
Principles of Internal Auditing Local Councils

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	84,135	88,883
2. Annual precept	39,532	41,508
3. Total other receipts	6,043	7,480
4. Staff costs	9,017	9,515
5. Loan interest/capital repayments	0	0
6. Total other payments	31,810	27,303
7. Balances carried forward	88,883	101,053
8. Total cash and investments	88,883	101,053
9. Total fixed assets and long-term assets	93,837	93,837
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 (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.