

Internal Audit Report

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

Name of council:	Kings Cliffe Parish Council		
Name of Internal Auditor:	Catherine M Camp	Date of report:	10 th June 2025
Year ending:	31 March 2025	Date audit carried out:	13 th May & 10 th June 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 Carrie Spence (Clerk & Responsible Financial Officer) on 13th May 2025 to carry out an Interim Internal Audit for Kings Cliffe Parish Council, this was followed up by a subsequent meeting held on 10th June 2025 once the Section 2 Accounting Statements for 2024/25 were correctly completed.

The Internal Audit was carried out remotely by examination of the parish website, email and via a video-call. I would like to take this opportunity to thank Carrie for her assistance in providing the necessary information and answering my queries allowing me to test all aspects of the council internal controls.

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. I could not find evidence of this within the minutes.

Minutes of 13 June 2024 record the following:- "24/43 Audit. The Annual audit of the Parish Council Return form has been completed and agreed it was then signed by the Chairman and Clerk will send PKF Littlejohn, the External Auditors."

This is insufficient. The Council need to approve each section of the AGAR as set out in the Guidance notes 3. There should also be a minute to record that the Internal Audit has taken place, and the Internal Audit report and AIAR should be approved and minuted as such. The correct documents had been published on the Council website.

I then checked that the Register of Interests for each Councillor were published on both the parish and North Northants Council websites - Councillor Mike Stewart was missing. This is a statutory requirement and needs to be updated following the recent election.

The Annual Meeting of the Parish Council correctly elected the Chairman as the first item of business, but there was no record that the Chairman signed a Declaration of Acceptance of Office. All Councillors at the start of their new term of office are required to sign a DoAoO, and the Chairman needs to sign an additional Declaration to accept the office of Chairman. This should be recorded within the minutes.

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 council arrangements for the management and control of its book-keeping, risk assessment, budget setting and monitoring, asset register, payroll due process and compliance with proper practises as set out in the Practitioners Guide.

I wish to bring the following matters to the attention of the Council:-

- a) It is imperative that this Council can gain access to its bank accounts and find out its balance on each account.
- b) The Council needs to approve and minute each section of the AGAR as per the guidance.
- c) Ensure both the Internal Audit report and AIAR and the External Audit report and completion of Audit is presented to the Council and recorded in the minutes and a plan approved to implement any actions raised. All documents need to be published on the website as per the instructions on the AGAR form to ensure compliance with Accounts and Audit Regulations 2015.
- d) Standing Orders and Financial Regulations need to be personalised to the Council and reviewed and approved at the Annual Meeting as per Item 5 j (ix) of Standing Orders.
- e) Standing Order No 4 d(viii) states that a quorum of a committee or sub-committee can be no less than 3. This is contrary to the policy adopted in Jan 2025.
- f) The Policy with regard to Committees and Working Groups needs to be reviewed since committees, sub-committees and Working Groups are confused within the policy. A Parish Council can set up a committee which needs to have an Agenda and Minutes and be held in public; A sub-committee may be set up by a committee;
- g) The Practitioners Guide advises that for authorities with bank balances in excess of £100,000 an appropriate investment strategy is needed. I would recommend this.
- h) A Risk Assessment must be carried out annually and published on the website.
- i) The Council should review its Insurance policies and ensure that all assets are covered. It would be simpler to have one insurance policy in place to cover all Parish assets.
- j) 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.
("...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")
A separate record of s137 expenditure should be kept in the cashbook to ensure it stays within the set limites and is of direct benefit to the electorate.
In October 2024 £100 was donated to RBL for a Poppy Wreath - this should be recorded as s137 expenditure and kept under a separate column in the cash book.

J) Confidential Session - this was entered into correctly but it is illegal to hold confidential minutes (24/171 Oct 2024) You must minute the decisions reached during confidential session in such a way as to protect their confidential nature but you MUST NOT keep confidential minutes/annexes to minutes.

K) Declaring an Interest - any Councillor having an pecuniary interest in an item on the Agenda, must leave the meeting and not take part in discussion or voting on the matter. It is not clearly minuted when a Councillor leaves the room and returns to the meeting.

L) During my questioning of the Clerk I asked whether electronic documents are backed up. They are being backed up via the Clerks personal Microsoft Account. Kings Cliffe Parish Council needs to ensure that documents are backed up to a Parish owned system to ensure continuity of business going forward.

M) Cemetery records are recorded in Ledgers. These are important records and need to be kept in a fire/water proof safe or container. I would advise the Council to invest in suitable storage to protect the ledgers.

N) Minutes of the Parish Council need to be kept in perpetuity. Historic minutes should be lodged with the County Records Office in Northampton.

O) Agendas need to be signed by the Clerk and dated to show when they were published. They should summon Councillors to the meeting and invite the press and public.

With reference to the Annual Internal Audit Report for 2024/25, I conclude that the control objectives were being achieved in most significant respects throughout the financial year to a standard adequate to meet the need of the authority, but I am unable to answer "yes" to the following:-

C- NO This Council has not carried out a Risk Assessment during the year, so I am unable to say that the council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

F- Not Covered. This Council does not hold Petty Cash.

H-NO Asset and investments registers were not complete, accurate and properly maintained.

The Asset Register needs review to check that all the Assets are recorded correctly. This should be reviewed in line with a review of the Insurance policy. The figures recorded on the Asset register should be the purchase price, or a nominal £1 if there is no known purchase price. This value may well be different to the value for insurance.

J- YES Following an Interim Audit, the Council produced bank statements for all accounts up to 31/03/25 and I am now satisfied that the R/P accounts agree to the cash book and there is an adequate audit trail from underlying records.

Yours sincerely,



Mrs Catherine Camp FSLCC; PIALC
Internal Auditor to the Council
07759 271507
cccampinternalauditor@outlook.com



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	218,300	221,872
2. Annual precept	33,000	35,000
3. Total other receipts	8,698	27,640
4. Staff costs	5,400	6,000
5. Loan interest/capital repayments	0	0
6. Total other payments	33,294 32,726*	38,532
7. Balances carried forward	221,304 221,872*	239,980
8. Total cash and investments	221,304 221,872*	239,980
9. Total fixed assets and long-term assets	77,480	77,480
10. Total borrowings	0	0

**These figures are being restated due to a recording error between the bank statement and reconciliation due to an un-presented cheque.*

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>.