

Internal Audit Report

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

Name of council:	Great Cransley Parish Council		
Name of Internal Auditor:	Katrina Jones	Date of report:	07/05/26
Year ending:	31 March 2026	Date audit carried out:	29/04/26 – 07/05/26

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 would like to thank the Clerk, Jane Mann, for meeting with me on 29th April 2026 and for providing me with the information required to carry out the internal audit in addition to promptly providing additional documents requested.

By examining the website and additional documents provided, and through questions asked during the internal audit meeting I was able to examine and test the council's compliance with the areas as required to complete the Internal Audit section of the Annual Return Form 2.

I noted that the council has an effective internal control process which includes the appointment of an Internal Control Councillor and has reviewed its policies including the Financial Regulations, Standing Orders and Risk Assessment. I also noted that there were arrangements in place for budget setting and monitoring.

It was identified that the asset values were incorrect and were adjusted ahead of the internal audit. For audit purposes the asset value should be based on the cost of acquiring the asset, not its value for insurance purposes, and where it was gifted a value of £1 should be given.

Whilst I was able to answer 'yes' to most of the statements on the Internal Audit Report I am not however able to confirm that the Parish Council complies with Internal Control Objective 'O' on the Annual Return Form 2 which states that "The authority has complied with laws, regulations & proper practices relating to digital and data compliance". I note that steps are already underway or will be taken to address this with the adoption of an IT policy which will help ensure that proper processes and policies are in place as is required.

It was evident that there has been some past confusion regarding the Parish Council's role regarding the Village Hall. I am advised that the Parish Council is a Custodian Trustee not a Sole Managing Trustee. If this is the case then it is correct that Q.11 of Section 2 of the AGAR Form be answered 'Yes' and Q. 9 of Section 1 be answered 'N/A'.

Yours sincerely,

Mrs. Katrina Jones
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2025	Year ending 31 March 2026
1. Balances brought forward	14,174	10,914
2. Annual precept	12,000	13,000
3. Total other receipts	24,003	81
4. Staff costs	6,477	7,002
5. Loan interest/capital repayments	0	0
6. Total other payments	32,786	3,738
7. Balances carried forward	10,914	13,255
8. Total cash and investments	10,914	13,255
9. Total fixed assets and long-term assets	3,771	4,339
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 – The Practitioner’s Guide*). 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>.