

Internal Audit Report

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

Name of council:	Deene and Deenethorpe Parish Council		
Name of Internal Auditor:	Catherine Camp	Date of report:	03/06/2025
Year ending:	31 March 2025	Date audit carried out:	03/06/2025

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 Joe Roberts (Clerk & Responsible Financial Officer) on 3rd June 2025 to carry out an Internal Audit for Deene and Deenethorpe Parish Council. 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 Joe for his 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.

The Council correctly certified themselves as exempt from limited assurance review since neither their gross income or expenditure exceeded £25,000 (Regulation 9(3) of the Local Audit Regulations 2015).

The exemption certificate was displayed on the website, but no Analysis of variances, Bank reconciliation or Notice of the period for the exercise of public rights we found either on the website or recorded within the minutes. This is a legal requirement under Regulation 15 (2) of the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities.

Exercise of Public Rights for year ending 31 March 2024. Unfortunately the statutory days were not provided for the public to exercise their rights to view the financial records, so I am unable to answer yes to Internal Control Objective M on the AIAR.

When completing the Annual Governance Statement s1 the Parish Council will need to answer "No" to Assertion 4

Risk Assessment. A Risk Assessment was not carried out by the Council during year 24/25 so I am unable to answer yes to Internal Control Objective C on the AIAR. When completing the Annual Governance Statement s1 the Parish Council will need to answer “no” to Assertion 5.

Make sure that the Council carries out a Risk Assessment on an Annual basis.

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, vat re-claim, internal control and year-end procedures including the public display of information.

I bring the Councils attention to the following:-

REGISTER of INTERESTS(ROI): Following the election on 1 May 2025, all Councillors need to complete a Register of Interest form that **MUST** be displayed both on NNC and the Parish websites **within 28 days of taking office**. I suggest that there is a hyperlink to the County website on the parish website so that this information can be accessed.

FINANCIAL INFORMATION

The Transparency Code has been mandatory since 1 April 2015 and requires the online publication of key spending and governance information as specified in the code. It applies to all Councils with annual turnover of under £25,000 and is viewed as best practice for larger councils.

Deene and Deenethorpe Parish Council **MUST** publish all expenditure over £100.

The easiest and most transparent way to do this is to list all money received, payments made and the bank reconciliation within the body of the minutes so that it is very clear how public money is being spent. The list of documents that must be published before 1 July can be found in the Practitioners Guide. (link at end of this document).

Budgetting: Although on questioning, I am happy that a budgetting process took place, it is not clearly minuted that this happened. I would expect to be able to find a copy of the budget on the parish website, and detail recording that spend is being compared against budget within the minutes.

Councillors making purchases on behalf of the Council. I note that on a couple of occasions Councillors have made purchases and been reimbursed. This is bad practise. All purchases should be made directly from the Parish Council account with the invoice made payable to the Parish Council. This allows VAT to be reclaimed, and ensures financial transparency.

CLERKS SALARY I noted that the Clerk was paying Tax and NI to HMRC directly and then being reimbursed by the council. On questioning the new Clerk who took office in October, I am satisfied that HMRC have received the correct amount of Tax and NI and this is now being paid directly from the Parish Account, and being netted from the Clerks monthly salary.

There is no record of appointment, and the terms of appointment of the current clerk within the minutes. It is important that the Council recognise that they are an Employer and must make sure that payments to the clerk are approved by the council.

ASSET REGISTER I noted that the Telephone Box is included on the Insurance Document but not on the Asset register. On questioning this is deliberate since the Parish Council do not own the Telephone box.

I am informed that the council has recently sold some equipment and I would advise that an acquisition and a dispersal date column be added to the Asset register so that it remains up to date.

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")

Through examination of evidence and questioning, I tested the internal controls and I am satisfied that effective systems of control are in place in the main, and have signed the Annual Internal Audit Report for year ending 31 March 2025 accordingly,

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	17,218	19,996
2. Annual precept	10,497	10,497
3. Total other receipts	727	803
4. Staff costs	2,706	3,255
5. Loan interest/capital repayments	0	0
6. Total other payments	5,740	6,270
7. Balances carried forward	19,996	21,771
8. Total cash and investments	19,996	21,771
9. Total fixed assets and long-term assets	9,180	16,492
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>.