

Internal Audit Report

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

Name of council:	Lutton Parish Council		
Name of Internal Auditor:	Kate Houlihan	Date of report:	21 April 2025
Year ending:	31 March 2025	Date audit carried out:	17 April 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 completed the year-end audit for Lutton Parish Council on 21 April 2025. I would like to extend my thanks to Kerry Rew, the Clerk, for her assistance.

To complete the audit, I:

- Reviewed documents provided by the Clerk, both before and after the audit meeting.
- Examined information available on [Lutton Parish Council – Lutton, Northamptonshire](#)
- Met with the Clerk on 17 April 2025

By reviewing all the information available, I accessed a well-ordered and detailed set of documents and records. By examining these documents and records, plus further questioning, I tested aspects of the council's internal controls as required for the Internal Audit section of the Annual Return Form 2.

I examined the audit trail for a sample of transactions during the financial year. The audit trail was clear. The year-end bank reconciliation was reviewed and matched to the bank statements. I reviewed the Clerk's payslip for August 2024, the correct hourly rate was used, and deductions for Income Tax and Employee NIC were correct. The Clerk has reclaimed the VAT owing from 2023/2024.

I note that the Clerk has identified assets owned by the council that were not previously declared on the Annual Governance and Accountability Return the asset figure of section 2 the accounting statement has therefore been restated for 2024. The assets purchased during the course of this financial year are recorded correctly.

I am satisfied that effective policies and procedures, together with systems to manage, monitor, and control the council's business, are in place. Accordingly, I was able to answer 'yes' to all other relevant questions and identify areas that are not applicable to the council.

This report is based on the evidence made available to me. 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.

Yours sincerely,

Kate Houlihan

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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	1,624	1,381
2. Annual precept	1,000	4,400
3. Total other receipts	2,250	545
4. Staff costs	0	1,248
5. Loan interest/capital repayments	0	0
6. Total other payments	3,493	2,235
7. Balances carried forward	1,381	2,843
8. Total cash and investments	1,381	2,843
9. Total fixed assets and long-term assets	RESTATED 3,086	4,011
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>.