HERTFORDSHIRE IAS

Northaw & Cuffley Parish Council
Internal Audit Report

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

Name of council:	Northaw & Cuffley		
Name of Internal Auditor:	Peter Evans	Date of report:	10th July 2026
Year ending:	31 March 2026	Date audit carried out:	9/7/2026

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 Chairman of the Council:

This audit was carried out by viewing documents on the council's website covering the financial year 2025/26. Unfortunately, the Clerk Lisa Peters was off work due to an accident thus delaying the audit, which I understand the council have approached the external auditor and have negotiated an extension regarding submission of the AGAR. I am grateful to Sally Griffiths and Lisa for all their help prior to the audit and during the on-line meeting we had on 9th July 2026.

I have completed the 2025/26 Annual Internal Audit Report and have completed as yes boxes A, B, C, D, E, G, I, J & M.

I have completed as 'No' to the following boxes.

Box 'H' as the council have not reviewed the asset register in 2025/26.
Box 'L' as the Register of Interests and Model of Publication Scheme are out of date.
Box 'N' at the website did not display the AGAR from previous year correctly at the time of the audit.
Box 'O' as the council have not adopted a data audit, and no evidence of Data Protection training.

I have stated as not covered' box 'F' as the council do not operate a petty cash account, and box 'K' as the council income/expenditure is above the exemption limit for a limited assurance audit.

My comments are below.

A. Appropriate accounting records have been properly kept throughout the Year.	**YES**

The council use the RIALTAS system for accounting. Periodic bank reconciliations were seen up to last quarter by the council and signed by a Cllr to evidence check.

B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	**YES**

The Financial Regulations were reviewed in 2025. Checks were made that payments and income shown on accounts were crossed checked to actual invoices etc for July & December 2025 and March 2026. VAT was correctly recorded and claimed.

I note that the council have over the last few years undertaken a few projects where the financial regulations dictate that tenders are required. Due to the commercial nature of these tenders these items should be discussed in part 2 – confidential business. This is the following advice from SLCC that covers this matter.

Meetings must initially be open to the press and the public, but the press and the public may be excluded from a meeting for one or more agenda items, if publicity during the discussion of that item would be prejudicial to the public interest. A resolution 'to exclude the press and the public during Item(s) XXX (and YYY)' is usually required. The following matters usually fall under the umbrella of confidential business, the disclosure of which would be prejudicial: -
- *Appointment, terms of service, conduct and dismissal of employees*
- *Terms of tenders and negotiations for contracts to be entered into*
- *The early stages of any dispute and the preparation of cases in legal proceedings*

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	**YES**

There is financial risk assessment on file,

D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves were appropriate.	**YES**

It is noted that the council has considered the budget, reserves and precept in November 2025, but this was subject to confirmation of the tax base. This was reported to the council by the RFO to the council meeting in January.

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	**YES**

F. Cash payments were properly supported by receipts, all cash expenditure was approved, and VAT appropriately accounted for.	**N/A**

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	**YES**

It is noted that the Clerk's contract is a bespoke version.

Action – Council is to consider putting the Clerk is placed on a contract that reflects the 'model' contract issued by NALC and SLCC and has the cover for both the council and clerk of the Local Government terms of employment known as the 'Green Book'.

H. Asset and investment registers were complete and accurate and properly maintained.	**NO**

The Council last reviewed its investment policy in 2025. It is noted that the Council did look to invest in CCLA but to date that this has not happened. It appears that the Council has not reviewed the asset register, and the one on the website although dated 2025-26 is actually dated and includes inspection dates in 2024. The Clerk also informed me that these inspections are carried out bi-annually.

Action

- **(I)** **The council to review the asset register before signing off the 2025/26 AGAR as this should be checked to the figures agreed in Section 2.**
- **(II)** **The assets on the asset register should be carried out at least yearly as best practice.**

I. Periodic bank reconciliations were properly carried out throughout the year.	**YES**

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	**YES**

K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt.	**N/A**

L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation	**NO**

The Transparency Code also states that the website should have a list of councillors, their responsibilities, contact address and Register of Interests.

With regards to the 'Register of Interests' this is the responsibility of the Monitoring Officer based in this case at Welwyn Hatfield Borough Council. Most Town & Parish Councils therefore just provide a link to the paperwork held by the Monitoring Officer as it this person's responsibility to ensure they are up to date and any agreed 'redacted 'information is shown.

Northaw & Cuffley do not appear to follow this action, which has resulted in a number of different forms on the website. As there were elections in 2023 it would be an idea to update these at that time.

Action—

a) **That Northaw & Cuffley work with the monitoring officer at WHDC to ensure all forms are up to date and comply at least with the Model Code of Conduct adopted in 2020. This was reported last year, and I understand that the councillors are reluctant to change this.**
b) **The Publication Scheme was last reviewed in 2023 and will need updating to the ICO Version 4, again this was reported last year.**

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit regulations.	**YES**

The publication of public rights was placed in the 'news' section of the website but was not subsequently changed to the AGAR section of the website. I understand that this has now been corrected.

N. The authority complied with the publication requirements for the 2024/25 AGAR.	**NO**

On checking the website, it was noted that the previous years AGAR info was correct. However, in the 2024/25 there was only section 1 & 2 of the AGAR and the notice of conclusion of the audit.

Action

(iii) The internal auditors report, external auditors report and signed internal auditors' section of AGAR to be placed on the website in the 'Annual Reports' section.

O. The authority has complied with laws, regulations and proper practices resulting to digital and data compliance.	**NO**

Assertion 10 is a new category for all councils to review and determine for audit year 2025/26. The statutory requirements are not new but have been separated out to offer greater clarity. Compliance with Assertion 10 should be assessed by council using the 2025/26 Practitioners Guide.

In addition, to ensure this area is audited Internal Auditors have been provided with a new control category 'O' which has unfortunately been omitted from the Internal Audit guidance section of the Practitioners Guide for 2025/26. This year I have assessed your council on the basic requirements working with appropriate proportionality to determine compliance.
Council must ensure that full reference is made to all sections of the Practitioners' Guide for 2026/27 to ensure compliance to the enhancements for 2026/27.

During the year the council did carry out a number of actions to meet these new requirements, however there is no evidence of a 'Data Audit', any training for staff and councillors on data protection, an 'IT policy.

Action:

- i) **Council/Clerk to minute that a data audit has been carried out. (Examples will be provided).**
- ii) **Council to minute that there has been Data Protection training for all (HAPTC to be approached for guidance)**
- iii) **Council to adopt an IT policy in 20206/27.**

P. Trust funds (including charitable) - the Council met its responsibilities as a trustee.	**YES**

Yours sincerely,

[redacted]

Peter Evans
Internal Auditor to the Council

[redacted]

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2025)*. 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.