MC Accountancy Limited

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KENNINGTON PARISH COUNCIL
INTERNAL AUDIT REPORT
Financial Year Ended 31 March 2026

Prepared by: MC Accountancy Limited
Date of Audit: 9 June 2026

Introduction

MC Accountancy Limited was appointed to undertake the Internal Audit of Kennington Parish Council for the financial year ended 31 March 2026.

The purpose of the Internal Audit is to provide an independent review of the Council's financial records, internal controls, governance arrangements and compliance with relevant legislation and regulations. The audit was conducted through examination of accounting records, supporting documentation, bank reconciliations, minutes of meetings and selected transactions.

Scope of Audit

The audit included a review of:

- Accounting records and bookkeeping procedures.
- Bank reconciliations and cash controls.
- Income and expenditure transactions.
- Budgetary control and financial reporting.
- Supporting documentation for payments.
- Governance and authorisation procedures.
- Compliance with the Accounts and Audit Regulations and the Parish Council's Financial Regulations.

Audit Opinion

Based on the work undertaken, the Council's financial records were found to be generally well maintained and presented in good order. Appropriate accounting records were available for inspection and transactions sampled were accurately recorded within the accounting system.

The Council demonstrates a satisfactory system of internal control and financial management. However, a small number of areas were identified where procedures could be strengthened to improve governance and ensure full compliance with the Council's Financial Regulations.

Findings and Recommendations

1. Purchase Invoice Authorisation

Observation

During testing of expenditure transactions, a small number of purchase invoices were identified that had not been signed or otherwise evidenced as formally authorised prior to payment.

Whilst there was no indication that the expenditure was inappropriate or outside the Council's approved activities, the absence of documented authorisation creates a risk that payments could be processed without appropriate review and approval.

Recommendation

All supplier invoices should be formally authorised in accordance with the Council's Financial Regulations before payment is made. Evidence of authorisation should be retained either by physical signature or through an approved electronic authorisation process.

Management Response

To be completed by Kennington Parish Council.

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2. Bank Statement Review and Sign-Off

Observation

A review of bank records identified that not all bank statements had been signed by the required three signatories as evidence of review.

Whilst bank reconciliations appeared accurate and no discrepancies were identified, the absence of documented sign-off reduces the audit trail demonstrating that the Council's monitoring controls have been fully completed.

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Recommendation

All bank statements should be reviewed and signed by the required three authorised members in accordance with the Council's established procedures. Evidence of review should be retained with the corresponding bank reconciliation documentation.

Management Response

To be completed by Kennington Parish Council.

Positive Findings

The audit also noted a number of strengths within the Council's financial management arrangements:

- Accounting records were maintained in a clear and organised manner.
- Bank reconciliations were prepared regularly and were found to be accurate.
- Financial information was available to support transactions tested.
- Budget monitoring processes were in place.
- No material errors or irregularities were identified during the audit.
- The Council demonstrated a generally sound approach to financial governance and control.

Conclusion

Subject to the recommendations outlined above, the Council's financial systems and records were found to be operating effectively, and no matters came to our attention that would indicate any material weakness in the overall system of internal control.

The recommendations contained within this report are intended to strengthen existing procedures and improve compliance with the Council's Financial Regulations and governance framework.

Internal Auditor

Malcolm Clamp
Director
MC Accountancy Limited

M. Clamp

Date: 9 June 2026