

Internal Audit Report

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

Name of council:	Loddington Parish Council		
Name of Internal Auditor:	Kate Houlihan	Date of report:	20 April 2026
Year ending:	31 March 2026	Date audit carried out:	13 April 2026

Internal audit is an independent review, carried out periodically, of a council's internal controls. It provides an assurance report intended to improve the effectiveness and efficiency of activities and operating procedures under the council's control. The management of internal controls is a day-to-day function of the council, through its staff and management, and should not be left to internal audit. Internal audit should not be viewed as a detailed inspection of all records and transactions to detect error or fraud. This report is based on the evidence made available to me and is therefore limited to the 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 Loddington Parish Council on 13 April 2026. I would like to thank Jane Mann (the Clerk) for her help and assistance in preparing the documentation and answering queries.

To complete the audit, I:

- Reviewed documents supplied by the Clerk, both prior to and following the audit meeting.
- Reviewed information available on [Loddington Parish Council – News and updates from Loddington Parish Council](#)
- Reviewed a copy of the council's cashbook
- Met with the Clerk on 13 April 2026.

During the audit meeting, the Clerk and I discussed the key issues facing Loddington Parish Council, including matters relating to the traveller site and ongoing legal action. We also discussed the transfer of assets from North Northamptonshire Council to the Council and the budgetary pressures this has created.

As part of the audit, I examined the audit trail for a sample of transactions during the financial year. In all instances reviewed, payments were supported by invoices and matched to the cashbook entries. I reviewed the year-end bank reconciliation and confirmed it matched the bank statement. I also reviewed the asset register, and new entries and disposals were clear. Finally, I reviewed the Clerk's payslip for June and confirmed the

correct hourly rate was used and that deductions for Income Tax and employee NIC were correct.

The Clerk and I discussed how the financial regulations are applied in practice, and I examined the procurement process for selected transactions during the financial year. Purchase orders (or official letters) were raised for purchases over £500. Purchase orders should be raised by the Clerk, unless a member or group of members has been instructed to do so in advance (see Financial Regulation 5.20). In the case of the solar speed camera, the order was raised by a councillor; however, the audit trail is clear and the Clerk was copied at all stages.

Based on the information made available to me, I reviewed a well ordered and detailed set of documents and records. Through this review, together with further questioning where needed, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Return Form 3. I am satisfied that effective policies and procedures are in place, together with systems to manage, monitor and control the Council's business. Accordingly, I was able to answer 'yes' to all relevant questions and identify areas that are not applicable to the Council.

The following items are raised to further support the work of the Council:

- **Risk Assessment:** Add a note to the Council's risk assessment to acknowledge the considerable work carried out by councillors acting as volunteers to manage Council land and property. Without this support, the Council could face significant staff/labour costs.
- **Policies:** Update policy documents to include the original date of adoption, date of review and date for the next review.
- **Assertion 10:** The Council already has a data protection policy, privacy notice, publication scheme, and accessibility statement in place. The Clerk is aware of the need to adopt an IT policy, and this will be adopted at a future meeting.

This report is based on the evidence made available to me. Internal audit should not be viewed as a detailed inspection of all records and transactions of a council undertaken to detect error or fraud.

Yours sincerely,

Kate Houlihan

Kate Houlihan
Internal Auditor to the Council
07519 629378
kate_houlihan@btinternet.com

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	22,151	24,527
2. Annual precept	14,350	14,350
3. Total other receipts	6,417	12,320
4. Staff costs	7,836	8,636
5. Loan interest/capital repayments	0	0
6. Total other payments	10,555	16,067
7. Balances carried forward	24,527	26,494
8. Total cash and investments	24,527	26,494
9. Total fixed assets and long-term assets	217,495	219,094
10. Total borrowings	0	0

The proper practices referred to in the Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England – The Practitioner's Guide*. This guide sets out the accounting practices for local councils and the appropriate standard of financial reporting. A copy is available to download, free of charge, from:

<https://northantscalc.gov.uk/practitioners-guide>.