

LOPPINGTON PARISH COUNCIL

INTERNAL AUDIT REPORT FOR FINANCIAL YEAR 2025/6

INTRODUCTION

As the Council's internal auditor, I am appointed to independently carry out an examination of areas which meet the internal control objectives as listed on page 4, the Annual Internal Audit Report section, of the Annual Governance and Accounts Return (AGAR) for the year ended 31st March 2026. This involves testing the Council's compliance with the assertions on p.4 of the AGAR, referring to best practices as outlined in the SAPPP Practitioners' Guide 2025, published March 2025.

I have carried out a mid-year internal audit of areas which I can examine at this point in the year; this involves checks relating to the Transparency Code and publication of last year's AGAR, as the deadlines associated with publishing this information are by 1st July and 1st October 2025. I also checked for periodic bank reconciliations. The checks were carried out on 2nd January 2026. I have now carried out an internal audit of all areas listed on the AGAR IA report. I present my final report for your consideration.

I would like to thank Lynda for her assistance.

Should you have any queries with this report please do not hesitate to get in touch.

DETAILED FINDINGS & RECOMMENDATIONS

A. Appropriate accounting records have been properly kept throughout the financial year?

The primary accounts record is in the form of an Excel Receipts and Payments cashbook. Accounting records were found to be accurate and provided an adequate audit trail. A sufficient analysis of accounting records existed within the cashbook, with items being categorised according to budget categories. The accounting statement provided as at 31/3/2026 corresponded with the cashbook.

Internal control objective met? YES

Recommendations: None.

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

Standing Orders and Financial Regulations were reviewed in July 2025. The council has adopted the new model Standing Orders and Financial Regulations.

VAT was appropriately accounted for and recorded separately in the cashbook; a VAT reclaim for £167.83 had been made which matched the VAT spent in 2024-5.

Payments for the year - £9,112.52

A sample of 8 payments were tested to the cashbook, supporting invoices, bank statements, payroll documentation and council minutes.

Internal control objective met: YES

Recommendations: None.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these?

The Risk Assessment is fit for purpose and adequate and was last reviewed in May 2025 and Health and Safety Policies in September 2025.

Internal control objective met: YES

Recommendations: None.

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate?

Budget & Precept setting process for 2026-7 – this was adequate and the precept and budget were agreed at the 13th January 2026 council meeting. The precept set is £7,680, which matches the precept request. The minutes state 10% increase and it would be helpful if the actual amount was minuted too. Other predicted income is CBF £10,000, VAT refund £100, interest £400. Total projected income for 2026-7 is £18,180.

The council's anticipated spend for 2026-7 is £35,191.18. This includes £25,389.82 on projects funded from various ringfenced sources such as CIL or CBF.

Reserves – when setting the budget, the council predicted there would be £6,483.36 in general reserves. Planned spend from general funds as opposed to ringfenced reserves is £7,700; I've assumed items not marked as projects or c/f in the budget are from revenue as opposed to reserves. Therefore, reserves sit at 84% of planned net revenue spend which is within the range of 3 to 12 months recommended in SAPPP. The council also considered ringfenced reserves as part of budget setting.

Internal control objective met: YES

Recommendations: None.

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

Total receipts for the year were £21,795.69

Receipts comprise of precept £6,400, interest £386.29, community benefit fund £13,283.70, VAT refund £167.83 and a refund of an overpayment of £47.85. A sample of 3 receipts were tested and they were supported by remittance advice and tallied to the cashbook. The precept received matched the precept request.

Internal control objective met? YES

Recommendations: None.

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

No cash is held.

Internal control objective met: N/A

Recommendations: 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

The P60 records total salary paid of £3,773.04. This is slightly more than the amount in the cashbook of £3,761.04. At SCP 17 the total salary due is 4.5hrs x 52.143 weeks x £16.08 = £3,773.07. The clerk has explained the difference between P60 and cashbook is due to changing tax codes during the year and HMRC adjustments to tax.

The council's pension re-enrolment date was 1st March 2026 and the declaration was submitted on 15th April 2026, prior to the deadline of 31st July 2026.

Members did not receive allowances during the year.

Internal control objective met: YES

Recommendations: None.

H. Asset and investments registers were complete and accurate and properly maintained.

The Council's fixed asset register/inventory was examined, assets recorded as totalling £26,088. It has been updated to 31/03/2026 but not yet adopted by council. Assets purchased in year have been added to the register.

The Council's insurance policy, provided by Zurich covers from 1st June to 30th May and cover appears to be adequate for the council's assets.

Internal control objective met: YES

Recommendations: None.

I. Periodic and year-end bank account reconciliations were properly carried out.

Throughout the year, the Clerk/RFO has regularly reported bank reconciliations to Council which have been agreed and adopted by Council; a mid-year sample was seen, and the bank balances stated were accurate.

I have checked and agreed the end year bank reconciliation, the reconciled balance as at 31/3/2026 is £43,139.99

Internal control objective met: YES

Recommendations: None.

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

The AGAR, Statement of Accounts has been correctly compiled on a receipts and payments basis based on the cashbook, supported by underlying records such as invoices and remittance advice slips.

Internal control objective met: YES

Recommendations: None.

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?

The Council fully met the exemption criteria, which included having annual gross income and annual gross expenditure values each below £25,000. The Council resolved to approve the exemption certificate, the AGAR and related paperwork at the 13th May 2025 meeting.

Internal control objective met? YES

Recommendations: None.

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?

The Transparency Code for Smaller Authorities states that by no later than 1st July in the year to which it relates the authority must publish:

- Details of all items of expenditure over £100
- End of year accounts:
 - Bank reconciliation for the relevant financial year,
 - An explanation of any significant variances (e.g. more than 10-15 percent) in the statement of accounts for the relevant year and previous year
 - An explanation of any differences between 'balances carried forward' and 'total cash and short-term investments', if applicable
- Annual Governance Statement;
- Annual Internal Audit Report;
- List of councillor responsibilities e.g. committees and outside bodies they sit on;
- Location of public land and building assets.
- Minutes, agendas and papers of formal meetings (publish agendas within required clear days and draft minutes within 30 days of meeting)

I checked the website on 2nd January 2026. The link to the asset register doesn't work.

Internal control objective met: NO

Recommendations: Please ensure information for the year on public land and building assets is published by 1st July following year-end i.e. by 1st July 2026 for 2025-6 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?

The authority did prepare a notice of exercise of public rights and it was published on the website with
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the correct dates.

Internal control objective met: YES

Recommendations: None.

N. The authority has complied with the publication requirements for the 2024/5 AGAR?

Before 1st July, the authority must publish:

- Certificate of Exemption
- Annual Internal Audit Report
- Section 1 AGAR – Annual Governance Statement
- Section 2 AGAR- Accounting Statements
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Internal control objective met: YES

Recommendations: None.

O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance?

This is a new test for 2025/6 and it relates to Assertion 10 which is detailed in the SAPP guide, published March 2025.

In order to assess this assertion, I have considered the council's compliance with a number of areas. My overall conclusion is below and I have also commented in more detail on the sub-areas I considered.

Internal control objective met overall: YES

Overall, I conclude that assertion O has been met but would ask the council to review the recommendations below as it is borderline. However, I have taken a light-touch approach as this is the first year of Assertion 10 and what I am looking for is overall signs of working towards it rather than full compliance.

Recommendations: See below

Comments in detail:

1. **Email domain – at least the main contact email (usually the clerk's) must be owned by the council and link to a role as opposed to an individual's name (e.g. clerk@loppingtonparishcouncil.gov.uk not lynda@loppingtonparishcouncil.gov.uk**

The council's email domain is @loppingtonparishcouncil.gov.uk and the clerk uses clerk@loppingtonparishcouncil.gov.uk. All councillors also have .gov.uk emails.

Compliance test met: YES

Recommendations: None

2. Does the council have an IT policy?

The council has an IT policy adopted March 2026.

Compliance test met: YES

Recommendations: Review annually

3. All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used. Does the council have an accessibility statement and is it regularly updated? Does the council carry out accessibility testing?

The council has a website and accessibility statement. All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable). The site is compliant. An accessibility scan was done in March 2026

Compliance test met: YES

Recommendations: None.

4. Data protection

a) Data Protection - are regular data audits conducted to identify what personal data is held, how it is used and make sure it is processed lawfully?

The council did a data audit in March 2026.

Compliance test met: YES

Recommendation: Consider doing annual data audits.

b) Does the council have a Data Protection Policy on data handling, storage and sharing

Yes, the council has the following policies, last reviewed March 2026.

- Privacy Notice
- Document Management Policy
- Privacy Policy
- Subject Access Policy
- **Compliance test met: YES**
- **Recommendation: Review annually.**

c) Does the council provide regular training to ensure all staff and members are trained on data protection principles and practices?

Councillors have considered data protection principles and practices in year as demonstrated by review of policies. Hence, they are aware of data related duties, but I have not seen training records.

Compliance test met: PARTIALLY.

Recommendation: Arrange training programme.

d) Does the council secure data using appropriate technical and organisational measures to protect personal data from breaches?

This is covered by the IT policy and is referenced in the policies referred to under point b.

Compliance test met: YES

Recommendations: None.

e) FOI Publication Scheme – does the council have a publication scheme that confirms to the ICO model?

The council adopted and published a publication scheme, which complies with the ICO model, in March 2026.

Compliance test met: YES

Recommendations: None.

f) Does the council meet the requirements of the Transparency Code?

See detailed comments on assertion L.

Compliance test met: PARTIALLY

Recommendations: None.

P. Trust funds (including charitable) – The council met its responsibilities as a trustee?

To the best of my knowledge, the Council does not act as a sole trustee for managing a Trust fund or asset.

Internal control objective met: N/A.

Recommendations: N/A.