

THURSTON PARISH COUNCIL

INTERNAL CONTROL REVIEW – 2022-2023

The Accounts & Audit (Amendment) (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit. Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control:-

‘The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based ie level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control.... care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.’

As part of its internal control, the Parish Council has appointed a Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received. The tests carried out during the year should enable the Council to respond in the affirmation to Assertion 2 of the Annual Governance and Accountability Return “We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness”.

CONTROL TEST	TEST DONE Yes/No	AGAR Audit Objective	COMMENTS – check documents & initial
Asset Register: <ul style="list-style-type: none"> ensuring up-to-date Register of Assets held in accordance with Proper Practices Annually reviewed 	Yes	H	
Regular maintenance arrangements for physical assets	Yes	H	Monthly Inspections Reported at PC Meeting
Annual review of risk and adequacy of Insurance cover	Yes	C	Assets Insured as Asset Schedule Cyber Security-Under Renewal/await Paperwork Renewed with Zurich Municipal Sept 22
Annual review of Fidelity Guarantee and adequacy of cover	Yes	C	£500,000.00 Renewed with Zurich Municipal Set 22
Annual review of Financial Risk	Yes	C	P & R Committee to review February 23
Annual review of Risk Strategy	Yes	C	P & R Committee to review February 23
Annual review of Internal Controls	Yes	C	P & R Committee to review February 23
Awareness of Standing Orders & Financial Regulations	Yes	C	
Annual review of Financial & Standing Orders	Yes	C	Reviewed March 22 New NALC Regulations due later 22?
Annual review of contracts (where appropriate)	Yes	B/J	
Regular reporting on performance by contractors	Yes	B/J	Reported Monthly
Numerical orders placed in accordance with Financial Regulations	Yes	B/J	Except for Office Stationery
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	B	All approved at Monthly PC Meeting & Authorised by Chairman prior to payment
Recording in the appendices of the minutes the precise powers under which expenditure is being approved	Yes	B/C	General Powers of Competence

Payments supported by invoices, authorised and minuted	Yes	B	
Scrutiny of internet bank payments including authorisation procedures	Yes	B	Internal Bank Practice
Scrutiny of grants awarded by the Council and declared in cashbook	Yes	B	As per Grants Policy
Scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	E	Newsletter Separate Code Confirmed by Internal Auditor
Scrutiny of grants received by the Council and declared in cashbook	Yes	E	CIL £162,669.00 confirmed expenditure for 2022-23. £53,178 committed expenditure for same period.
Monthly bank reconciliation reporting to Parish Council	Yes	I	At each PC Meeting
Review of inter-account transfers by the RFO	Yes	I	Chairman Verify & Sign
Reporting of inter-bank transfers at appropriate Parish Council Meetings	Yes	I	
Bank Reconciliations periodically verified and signed off by a non-signatory Councillor	Yes	I	
Budget setting process in accordance with Proper Practices	Yes	D	Precept (2 nd instalment) £62,740.00 received September 22.
Quarterly budget monitoring statements reported to Parish Council	Yes	D	Q2 Paid October 22 Q3 Due January 23 Proved virements from Reserves to Actual received October 22.
Scrutiny to ensure precept recorded in the cashbook agrees to MSDC notification	Yes	E	
Monthly reconciliation of Corporate Credit Card operated by the Clerk. Verification process in place	Yes	A	
Contracts of employment in place for all staff	Yes	G	
Staff contracts annually reviewed	Yes	G	
Annual performance review for all staff	Yes	G	Reviewed and advised May 22 Meeting
Records updated to reflect relevant legislation	Yes	G	
PAYE/NIC/Pension properly operated by the Council as an employer	Yes	G	Q2 Paid October 22 Q3 Due January 23
Staff Details e.g. salary payments - held in a secure & appropriate manner	Yes	G	
VAT payments identified, recorded and reclaimed in the cashbook	Yes	A	Reclaimed Quarter 2 VAT £6,975.44 Paid October 22.
CIL reporting to Council in accordance with legislation	Yes	E/B	
CIL reporting to District in accordance with legislation	Yes	E/B	
CIL expenditure in accordance with legislation	Yes	E/B	
Compliance with 2014 Regulations: Officer Decision Reports	Yes		
Compliance with Local Transparency Code 2015: Quarterly: Items of expenditure over £500; requests for tender over £5,000; contracts awarded over £5,000. Annually: staff breakdown; contracts issued over £5,000; counter fraud work	Yes		Expenditure on Web Site - No Tenders, No Procurement, No Contracts 21-22 on website. 22-23 due on website by 1 July 23.
Compliance with Data Protection Legislation – Council registered as a Data Controller	Yes		Model Publication Scheme up to date

Compliance with General Data Protection Regulations: <ul style="list-style-type: none"> • Data Audit Impact Assessment completed for new projects • Legal basis for processing data identified for new projects • Annual review of GDPR policies 	Yes		Since BREXIT UK GDPR used Change in Insurers Title ie. Ltd not PLC
Compliance with Website Accessibility Requirements: <ul style="list-style-type: none"> • Website Security Certificate • Digital Accessibility • Accessibility statement on website 	Yes		Council operates with .gov.uk address Each Councillor has individual Parish Council Email Address
Minutes properly numbered or paginated with a master copy kept in for safekeeping	Yes		
Confidential minutes properly recorded, numbered or paginated with a master copy kept in a secure place.	Yes		
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes		
Roles and Responsibilities of Councillors published on website	Yes		
Terms of Reference for Committees annually reviewed	Yes		Recreational & Leisure Facilities and Climate Awareness & Environmental Committees combined and now Leisure & and Environmental Committee
Delegated Powers identified and implemented	Yes		Meeting 02 May 22 confirmed no change
Adoption of Codes of Conduct for Members	Yes		
Declaration of Acceptance of Office: <ul style="list-style-type: none"> • Completed • Copy held 	Yes		
Register of Interests: <ul style="list-style-type: none"> • Completed • Uploaded onto MSDC Website 	Yes		Councillor Johnathan Grant resigned. Vacancy advertised

Date of review of system of Internal Controls 25 November 2022

Review of system of Internal Controls carried out by:

Name B L Rainbow

Report submitted to Council: 7th December 2022 (Agenda reference): 10f (Paper 6)

Next review of system of Internal Controls due February 2023

Additional comments by reviewer.....

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