

THURSTON PARISH COUNCIL

INTERNAL CONTROL REVIEW – 2023-2024

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 | AGAR Audit | COMMENTS – check documents & initial |
|---|-----------|------------|--------------------------------------|
| | Yes/No | Objective | |
| Asset Register: <ul style="list-style-type: none"> • ensuring up-to-date Register of Assets • held in accordance with Proper Practices • Annually reviewed | | H | |
| Regular maintenance arrangements for physical assets | | H | |
| Annual review of risk and adequacy of Insurance cover | | C | |
| Annual review of Fidelity Guarantee and adequacy of cover | | C | |
| Annual review of Financial Risk | | C | |
| Annual review of Risk Strategy | | C | |
| Annual review of Internal Controls | | C | |
| Awareness of Standing Orders & Financial Regulations | | C | |
| Annual review of Financial & Standing Orders | | C | |
| Annual review of contracts (where appropriate) | | B/J | |
| Regular reporting on performance by contractors | | B/J | |
| Numerical orders placed in accordance with Financial Regulations | | B/J | |
| Regular scrutiny of financial records and proper arrangements for the approval of expenditure | | B | |
| Recording in the appendices of the minutes the precise powers under which expenditure is being approved | | B/C | |
| Payments supported by invoices, authorised and minuted | | B | |
| Scrutiny of internet bank payments including authorisation procedures | | B | |

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| Scrutiny of grants awarded by the Council and declared in cashbook | | B | |
| Scrutiny of income records to ensure income is correctly received, recorded and banked | | E | |
| Scrutiny of grants received by the Council and declared in cashbook | | E | |
| Monthly bank reconciliation reporting to Parish Council | | I | |
| Review of inter-account transfers by the RFO | | I | |
| Reporting of inter-bank transfers at appropriate Parish Council Meetings | | I | |
| Bank Reconciliations periodically verified and signed off by a non-signatory Councillor | | I | |
| Budget setting process in accordance with Proper Practices | | D | |
| Quarterly budget monitoring statements reported to Parish Council | | D | |
| Scrutiny to ensure precept recorded in the cashbook agrees to MSDC notification | | E | |
| Monthly reconciliation of Corporate Credit Card operated by the Clerk. Verification process in place | | A | |
| Contracts of employment in place for all staff | | G | |
| Staff contracts annually reviewed | | G | |
| Annual performance review for all staff | | G | |
| Records updated to reflect relevant legislation | | G | |
| PAYE/NIC/Pension properly operated by the Council as an employer | | G | |
| Staff Details e.g. salary payments - held in a secure & appropriate manner | | G | |
| VAT payments identified, recorded and reclaimed in the cashbook | | A | |
| CIL reporting to Council in accordance with legislation | | E/B | |
| CIL reporting to District in accordance with legislation | | E/B | |
| CIL expenditure in accordance with legislation | | E/B | |
| Compliance with 2014 Regulations: Officer Decision Reports | | | |
| 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 | | | |
| Compliance with Data Protection Legislation – Council registered as a Data Controller | | | |
| 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 | | | |

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| Compliance with Website Accessibility Requirements: <ul style="list-style-type: none"> Website Security Certificate Digital Accessibility Accessibility statement on website | | | |
| Minutes properly numbered or paginated with a master copy kept in for safekeeping | | | |
| Confidential minutes properly recorded, numbered or paginated with a master copy kept in a secure place. | | | |
| Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality | | | |
| Roles and Responsibilities of Councillors published on website | | | |
| Terms of Reference for Committees annually reviewed | | | |
| Delegated Powers identified and implemented | | | |
| Adoption of Codes of Conduct for Members | | | |
| Declaration of Acceptance of Office: <ul style="list-style-type: none"> Completed Copy held | | | |
| Register of Interests: <ul style="list-style-type: none"> Completed Uploaded onto MSDC Website | | | |

Date of review of system of Internal Controls.....

Review of system of Internal Controls carried out by:

Name.....Signature.....

Report submitted to Council: (date)..... (minute reference).....

Next review of system of Internal Controls due.....

Additional comments by reviewer.....

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