

THURSTON PARISH COUNCIL

INTERNAL CONTROL – 2019-2020

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 it’s 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.

| CONTROL TEST | TEST DONE | COMMENTS – check documents & initial |
|---|-----------|--|
| | Yes or No | |
| Ensuring an up to date Register of Assets | Yes | Youth Shelter Removed |
| Regular maintenance arrangement for physical assets | Yes | Monthly Inspection Reported at each PC Meeting |
| Annual review of risk and adequacy of Insurance cover | Yes | Cyber Security to be Reviewed March 20 |
| Annual review of Fidelity Guarantee and cover | Yes | |
| Annual review of financial risk | Yes | Reviewed by Policy & Recourses 01 Nov 19 |
| Awareness of Standing Orders and Financial regulations | Yes | |
| Annual review of Financial & Standing Orders | Yes | Review due March 2020 Based on NALC 2018 Model |
| Annual review of contracts (where appropriate) | Yes | |
| Regular reporting on performance by contractors | Yes | Reported Monthly |
| Orders placed in accordance with Financial Regulations | Yes | |
| Regular scrutiny of financial records and proper arrangements for the approval of expenditure | Yes | At each PC Meeting |
| Recording in the appendices of the minutes the precise powers under which expenditure is being approved | No | If New Project |
| Payments supported by invoices, authorised and minuted | Yes | |
| Regular scrutiny of income records to ensure income is correctly received, recorded and banked | Yes | Credit Card check Monthly Bank Reconciled Quarterly |
| Scrutiny to ensure precept recorded in the cashbook agrees to MSDC notification | Yes | |
| Scrutiny of grants awarded and declared in cashbook | Yes | |
| Monthly bank reconciliation reporting to Parish Council | Yes | At each PC Meeting |
| Reporting of inter-bank transfers to Parish Council | | At each PC Meeting |
| Bank Reconciliations periodically verified and signed off by a non-signatory Councillor | Yes | |
| Quarterly budget monitoring statements reported to Parish Council in accordance with Standing Orders | Yes | Q3 Reported at PC Meeting of 08 January 20 Year End due at Meeting of 06 May 20 |
| Monthly reconciliation of Corporate Credit Card operated by the Clerk | Yes | |

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| Contracts of employment for staff | Yes | Clerk. Admin Assistant. Litter Picker |
| Staff contracts annually reviewed | Yes | |
| Records updated to reflect relevant legislation | Yes | |
| PAYE/NIC/Pension properly operated by the Council as an employer | Yes | Q3 Paid January 20 Q4 Due April 20 |
| Staff Details e.g. salary payments - held in a secure & appropriate manner | | |
| VAT: payments identified, recorded and reclaimed in the cashbook | Yes | VAT claim Q2 & Q3 Paid 29 Jan 20 (£1399.65) Q2 to be Submitted December 19 |
| CIL reporting to Council in accordance with legislation | Yes | |
| CIL reporting to District in accordance with legislation | Yes | |
| CIL expenditure in accordance with legislation | Yes | |
| Compliance with 2014 Regulations: Officer Decision Reports | Yes | |
| Compliance with Local Transparency Code 2015: Items of expenditure incurred over £500 | Yes | Q3 on Web Site January 20 |
| Compliance with Data Protection Legislation – Council registered as a Data Controller | Yes | |
| Compliance with General Data Protection Requirements – progress Council has made towards meeting such requirements: <ul style="list-style-type: none"> • Data Audit • Identify legal basis for processing data • Procedures for dealing with Subject Access Requests • Understand how to seek and manage consent • Update of policies & privacy notices • Data Retention & Disposal • Procedures to detect, report & investigate personal data breaches | Yes | All as File held in Parish Council Office |
| Minutes properly numbered and paginated with a master copy kept in for safekeeping | Yes | Monthly PC Meetings |
| Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality | Yes | Monthly PC Meetings |
| Adoption of Codes of Conduct for Members | Yes | In 2014 |
| Declaration of Acceptance of Office | Yes | |

Date of review of system of Internal Controls: 26 February 2020

Review of system of Internal Controls carried out by:

Name: B L Rainbow

Report submitted to Council: (date) 04.03.2020 (Agenda Reference) – 11e – Paper 2/04.03.20

Next review of system of Internal Controls due: May 2020

Additional comments by reviewer: