

THURSTON PARISH COUNCIL

INTERNAL CONTROL – 2018 - 2019

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	
Regular maintenance arrangement for physical assets	Yes	Monthly Inspection Reported at each PC Meeting
Annual review of risk and adequacy of Insurance cover	Yes	
Annual review of Fidelity Guarantee and cover	Yes	
Annual review of financial risk	Yes	Policy & Recourses Meeting 01 March 19
Awareness of Standing Orders and Financial regulations	Yes	
Annual review of Financial & Standing Orders	Yes	Policy & Recourses Meeting 25 January 19 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	From February 19
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	Not Required
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 09 January 19
Monthly reconciliation of Corporate Credit Card operated by the Clerk	Yes	

Contracts of employment for staff	Yes	Clerk. Village 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 19 Q4 Due April 19
Staff Details e.g. salary payments - held in a secure & appropriate manner		
VAT: payments identified, recorded and reclaimed in the cashbook	Yes	VAT claim submitted 22 February 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	Q2 & Q3 on Web Site
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	Clr. J Thurlbourn. Cllr. D Haley

Date of review of system of Internal Controls: 28 February 2019

Review of system of Internal Controls carried out by: Councillor B Rainbow

Report submitted to Council: (date) 06.03.2019. (Agenda Item reference) 12e

Next review of system of Internal Controls due: May 2019

Additional comments by reviewer:

Internal Control Report to be reviewed by Policy & Resources Committee at meeting of 01 March 19