

## THURSTON PARISH COUNCIL

### INTERNAL CONTROL REVIEW – 2021-2022

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"> <li>ensuring up-to-date Register of Assets</li> <li>held in accordance with Proper Practices</li> <li>Annually reviewed</li> </ul>	Yes	H	Annual Review at Policy & Recourses Meeting of 17 September 21
Regular maintenance arrangements for physical assets	Yes	H	Monthly Inspection Reported at PC Meeting
Annual review of risk and adequacy of Insurance cover	Yes	C	Assets £250,000.00 revised Sept.21 Cyber Security Renewed With Zurich Municipal
Annual review of Fidelity Guarantee and adequacy of cover	Yes	C	£500,000.00 Renewed Sept 21 with Zurich Municipal
Annual review of Financial Risk	Yes	C	Reviewed 17 Sept 21 P & R Committee
Annual review of Risk Strategy	Yes	C	Reviewed 17Sept 21 P & R Committee
Annual review of Internal Controls	Yes	C	Reviewed Feb 21 (Reviewed this I C R)
Awareness of Standing Orders & Financial Regulations	Yes	C	
Annual review of Financial & Standing Orders	Yes	C	
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 Competents
Payments supported by invoices, authorised and minuted	Yes	B	
Scrutiny of internet bank payments including	Yes	B	Internal Bank Practice

authorisation procedures			
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	News Letter Separate Code
Scrutiny of grants received by the Council and declared in cashbook	Yes	E	Locality Budget. Section106. CIL £160,000.00 All Coded
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 set In Dec 20 Agreed at Jan 21 PC Meeting
Quarterly budget monitoring statements reported to Parish Council	Yes	D	Q2 reported at 06 October PC Meeting
Scrutiny to ensure precept recorded in the cashbook agrees to MSDC notification	Yes	E	
Monthly reconciliation of Corporate Credit Card operated by the Clerk	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	
Records updated to reflect relevant legislation	Yes	G	
PAYE/NIC/Pension properly operated by the Council as an employer	Yes	G	Q2 Paid Oct 21 Q3 Due Jan 22 Pension Paid Monthly
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	
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: Items of expenditure incurred over £500	Yes		Q2 on Web Site
Compliance with Data Protection Legislation – Council registered as a Data Controller	Yes		TO be paid by Direct Debit 12 Nov 21
Compliance with General Data Protection Regulations: <ul style="list-style-type: none"> <li>• Data Audit Impact Assessment completed for new projects</li> <li>• Legal basis for processing data identified for new projects</li> <li>• Annual review of GDPR policies</li> </ul>	Yes		Since BREXIT UK GDPR used
Compliance with Website Accessibility Requirements: <ul style="list-style-type: none"> <li>• Website Security Certificate</li> <li>• Digital Accessibility</li> </ul>	Yes		Basic Compliance

• Accessibility statement on website			
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		Reviewed at May Annual PC Meeting
Delegated Powers identified and implemented	Yes		Reviewed at May Annual PC Meeting
Adoption of Codes of Conduct for Members	Yes		In 2014
Declaration of Acceptance of Office: <ul style="list-style-type: none"> <li>• Completed</li> <li>• Copy held</li> </ul>	Yes		
Register of Interests: <ul style="list-style-type: none"> <li>• Completed</li> <li>• Uploaded onto MSDC Website</li> </ul>	Yes		N Turner removed from PC Register

Date of review of system of Internal Controls: 15 October 2021

Review of system of Internal Controls carried out by:

Name: B L Rainbow

Report submitted to Council: (date) 03.11.21 (Agenda Item reference): 11F

Next review of system of Internal Controls due: January 2022J

Additional comments by Reviewer:

Note 01: Four Vacancies for Parish Councillors advertised