

## THURSTON PARISH COUNCIL

### INTERNAL CONTROL REVIEW – 2024-2025

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<br>Yes/No | AGAR Audit<br>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                       | Inclusive Play Equipment (Thewastre Park)<br>02 X Notice Boards<br>Acer Laptop (PC Office)<br><b>See Note 01</b>  |
| Regular maintenance arrangements for physical assets  | Yes                 | H                       | Grit bins inspection early autumn.<br>Monthly inspections reported at Committees Meetings.<br>Quarterly Report June action required<br>01 No swing removed at Heath Road  |
| Annual review of risk and adequacy of Insurance cover   | Yes                 | C                       | Insurance schedule updated 02/04/24.<br>Cyber security under review to be updated.<br>Insurance review underway - to be updated September 24.<br>Clerk & Deputy to undertake further training relating to cyber security. |
| Annual review of Fidelity Guarantee and adequacy of cover   | Yes                 | C                       | To be updated September 24  |
| Annual review of Financial Risk   | Yes                 | C                       | P&R Committee reviewed 21/02/24   |
| Annual review of Risk Strategy  | Yes                 | C                       | P&R Committee reviewed 21/02/24   |
| Annual review of Internal Controls  | Yes                 | C                       | P&R Committee reviewed 21/02/24   |
| Awareness of Standing Orders & Financial Regulations  | Yes                 | C                       | New NALC Regulations received and adopted June 24.  |
| Annual review of Financial & Standing Orders  | Yes                 | C                       | Adopted May 24.   |
| Annual review of contracts (where appropriate)  | Yes                 | B/J                     |   |
| Regular reporting on performance by contractors   | Yes                 | B/J                     | Dealt-with on an on-going basis within meetings or under Delegated Responsibility.  |
| Numerical orders placed in accordance with Financial Regulations  | Yes                 | B/J                     | Except for office stationary and small ancillary items.   |

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|---|-----|-----|--|
| Regular scrutiny of financial records and proper arrangements for the approval of expenditure           | Yes | B   | All approved at monthly PC meeting & authorised by Chair prior to payment.   |
| Recording in the appendices of the minutes the precise powers under which expenditure is being approved | N/A | B/C | General Power of Competence used for expenditure.  |
| Payments supported by invoices, authorised and minuted  | Yes | B   |  |
| Scrutiny of internet bank payments including authorisation procedures                                   | Yes | B   | Internal bank practice operated as per Internet Banking Policy.  |
| Scrutiny of grants awarded by the Council and declared in cashbook                                      | Yes | B   | As per Grants Policy. Listed in CIL report monthly. Library grant in CIL report.   |
| Scrutiny of income records to ensure income is correctly received, recorded and banked                  | Yes | E   | Newsletter / recycling / refuse recycling all have separate code.  |
| Scrutiny of grants received by the Council and declared in cashbook                                     | Yes | E   | CIL received £37,281<br>Precept received £88,680<br><b>See Note 02</b>   |
| Monthly bank reconciliation reporting to Parish Council   | Yes | I   | At each relevant Council meeting.  |
| Review of inter-account transfers by the RFO  | Yes | I   | Chair verifies and signs at each relevant Council meeting.   |
| 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   | Vice-Chair is non-signatory.   |
| Budget setting process in accordance with Proper Practices  | Yes | D   |  |
| Quarterly budget monitoring statements reported to Parish Council                                       | Yes | D   | Due October 24.  |
| 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   | All statements checked to ensure VAT related invoices are in evidence. Statements signed off by Vice-Chair.  |
| Contracts of employment in place for all staff  | Yes | G   |  |
| Staff contracts annually reviewed   | Yes | G   | Reviewed April 24. Pay rise approved and notified to Deputy Clerk & Litter Picker. Clerk's review completed May 24 and to be reported September 24 |
| Annual performance review for all staff   | Yes | G   | Complete.  |
| Records updated to reflect relevant legislation   | Yes | G   |  |
| PAYE/NIC/Pension properly operated by the Council as an employer  | Yes | G   | Paid Monthly   |
| Staff Details e.g. salary payments - held in a secure & appropriate manner                              | Yes | G   | Details in locked filing cabinet. Staff wages held on separate computer.   |
| VAT payments identified, recorded and reclaimed in the cashbook   | Yes | A   | VAT claim to 31 July 24 £7760.39 paid August 24  |
| 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 |  | All details up to 30 <sup>th</sup> June 24 on website.   |
| Compliance with Data Protection Legislation – Council registered as a Data Controller   | Yes |  | Registered with ICO. GDPR information on website.  |
| 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 |  | UK GDPR used. No projects undertaken.  |
| Compliance with Website Accessibility Requirements: <ul style="list-style-type: none"> <li>Website Security Certificate</li> <li>Digital Accessibility</li> <li>Accessibility statement on website</li> </ul>   | Yes |  | Council's officers operate with gov.uk e-mail address. Each Councillor has dedicated Parish Council e-mail address as held under the website domain name. All new website links will be accessible PDF with descriptive words. |
| 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 |  | Recorded at each meeting.  |
| Roles and Responsibilities of Councillors published on website  | Yes |  |  |
| Terms of Reference for Committees annually reviewed   | Yes |  | Completed at meeting 01/05/24.   |
| Delegated Powers identified and implemented   | Yes |  |  |
| Adoption of Codes of Conduct for Members  | Yes |  | Completed at meeting 01/05/24  |
| Declaration of Acceptance of Office: <ul style="list-style-type: none"> <li>Completed</li> <li>Copy held</li> </ul>   | Yes |  | All Councillors / Chair / Vice-Chair / Recreation Ground Trust Chair   |
| Register of Interests: <ul style="list-style-type: none"> <li>Completed</li> <li>Uploaded onto MSDC Website</li> </ul>  | Yes |  | Councillor Welham resigned MDC informed & removed from website Vacancies for 04 No Councillors advertised  |

Date of review of system of Internal Controls: Friday 23<sup>rd</sup> August 2024

Review of system of Internal Controls carried out by: Name: Bryan Rainbow

Report submitted to Council: 4<sup>th</sup> September 2024

Next review of system of Internal Controls due: November 2024

Additional comments by reviewer Note 01 Commercial Package now used for Asset Register  
Note 02 Second CIL Instalment due October 24  
Second Precept Instalment due September 24