

# 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	AGAR Audit	COMMENTS – check documents & initial
	Yes/No	Objective	
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	2 x Christmas trees & 2 x defibrillators added. Replacement bench to be added.
Regular maintenance arrangements for physical assets	Yes	H	Grit bins inspection early autumn. Monthly inspections reported at LEC meetings. Annual inspection of play areas – Nov report actions required. Clerk investigating siting of assets on 3 <sup>rd</sup> party land.
Annual review of risk and adequacy of Insurance cover	Yes	C	Insurance schedule updated 02/04/24. Cyber security to be updated in July. Clerk & Deputy to undertake further Training relating to cyber security.
Annual review of Fidelity Guarantee and adequacy of cover	Yes	C	Received 02/04/24.
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. To be reviewed June 2024.
Annual review of Financial & Standing Orders	Yes	C	To be reviewed June 2024.
Annual review of contracts (where appropriate)	Yes	B/J	Churchyard grass cutting contract revised to reflect engagement of Top Garden Services.
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.

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 Precept received £88,680
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 signatory.
Budget setting process in accordance with Proper Practices	Yes	D	
Quarterly budget monitoring statements reported to Parish Council	Yes	D	Due July 2024.
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 01/04/24. Pay rise notified to Deputy Clerk & Litter Picker. New contract for Newsletter Editor.
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	Q4 paid March 2024.
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 for year-end £4072.68 – paid 09/05/24.
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:	Yes		All details up to April 2024 on website.

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	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		

Date of review of system of Internal Controls: Friday 24<sup>th</sup> May 2024

Review of system of Internal Controls carried out by: Name: Cllr. Julian West

Report submitted to Council: (date) 05.06.24 (minute reference) 10g – Paper 7

Next review of system of Internal Controls due: August 2024

Additional comments by reviewer.....