

THURSTON PARISH COUNCIL

INTERNAL CONTROL REVIEW – 2022-2023

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"> ensuring up-to-date Register of Assets held in accordance with Proper Practices Annually reviewed | Yes | H | 3 No Benches. 5 No Dog Bins From MSDC Welcome Back Fund 4 No Village Notice Boards Lap Top Computer |
| Regular maintenance arrangements for physical assets | Yes | H | Monthly Inspections Reported at PC Meeting |
| Annual review of risk and adequacy of Insurance cover | Yes | C | Assets Insured as Asset Schedule Cyber Security Renewed with Zurich Municipal Sept 21 |
| Annual review of Fidelity Guarantee and adequacy of cover | Yes | C | £500,000.00 Renewed with Zurich Municipal Set 21 |
| Annual review of Financial Risk | Yes | C | Reviewed 18 Feb 22 P & R Committee |
| Annual review of Risk Strategy | Yes | C | Reviewed 18 Feb 22 P & R Committee |
| Annual review of Internal Controls | Yes | C | Reviewed 18 Feb 22 P & R Committee |
| Awareness of Standing Orders & Financial Regulations | Yes | C | |
| Annual review of Financial & Standing Orders | Yes | C | Reviewed March 22 New NALC Regulations due later 22 |
| 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 Competence |
| Payments supported by invoices, authorised and minuted | Yes | B | |

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| Scrutiny of internet bank payments including authorisation procedures | Yes | B | Internal Bank Practice |
| 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 | CIL £43,508.34 |
| 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 £62740.00 |
| Quarterly budget monitoring statements reported to Parish Council | Yes | D | Q4 April 22 Q1 Due July 22 |
| 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 | |
| Contracts of employment in place for all staff | Yes | G | |
| Staff contracts annually reviewed | Yes | G | |
| Annual performance review for all staff | Yes | G | Reviewed Ref May 22 Meeting |
| Records updated to reflect relevant legislation | Yes | G | |
| PAYE/NIC/Pension properly operated by the Council as an employer | Yes | G | Q4 April 22 P 60's Issued Q1 Due July 22 |
| 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: 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 | | Expenditure on Web Site No Procurement No Procurement No |
| Compliance with Data Protection Legislation – Council registered as a Data Controller | Yes | | Model Publication Scheme to Date |

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| Compliance with General Data Protection Regulations: <ul style="list-style-type: none"> • Data Audit Impact Assessment completed for new projects • Legal basis for processing data identified for new projects • Annual review of GDPR policies | Yes | | Since BREXIT UK GDPR used |
| Compliance with Website Accessibility Requirements: <ul style="list-style-type: none"> • Website Security Certificate • Digital Accessibility • Accessibility statement on website | Yes | | Council operates with UK. Gov Address Each Councillor has individual Parish Council Address |
| 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 | | Meeting 02 May 22 confirmed no Change |
| Delegated Powers identified and implemented | Yes | | Meeting 02 May 22 confirmed no Change |
| Adoption of Codes of Conduct for Members | Yes | | |
| Declaration of Acceptance of Office: <ul style="list-style-type: none"> • Completed • Copy held | Yes | | |
| Register of Interests: <ul style="list-style-type: none"> • Completed • Uploaded onto MSDC Website | Yes | | |

Date of review of system of Internal Controls 20 May 2022

Review of system of Internal Controls carried out by:

Name B L Rainbow

Report submitted to Council: (date): 01.06.2022 (Agenda reference): 13f – Paper 6

Next review of system of Internal Controls due August 2022

Additional comments by reviewer.....

