

INTERNAL CONTROL REPORT

The Accounts & Audit (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 i.e. 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 non-signatory Councillor to conduct a review of the system of internal control via the following tests on a regular 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 and initial
	Yes or No	
Ensuring an up to date Register of Assets	Yes	Held by Clerk ✓
Regular maintenance arrangement for physical assets	Yes	Routine assessment by councillors ✓
Annual review of risk and the adequacy of Insurance cover	Yes	Cover recommended by SALC; since the approval of the risk assessment in April (on the website) there have been no un-planned risk-sensitive activities so far this year. ✓
Annual review of financial risk	Yes	May Meeting, and finances reviewed each meeting ✓
Awareness of Standing Orders and Financial regulations	Yes	On Website – reviewed and approved May 2020 meeting ✓
Adoption of Financial and Standing Orders	Yes	On Website – reviewed and approved May 2020 meeting ✓
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Regular reporting on performance by contractors	Yes	Only contractors are for mowing cemetery lawn. ✓
Annual review of contracts (where appropriate)	N/A	(mowing contract is below threshold for mandatory review but was reviewed last year and remains unchanged for this year) ✓
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Regular bank reconciliation, independently reviewed	Yes	Reviewed each meeting ✓
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Prepared by clerk, reviewed each month by two councillors ✓
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	Checked by councillors before approving each month's minutes ✓
Payments supported by invoices, authorised and minuted	Yes	Checked by councillors before approving each month's minutes ✓
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Checked by clerk, double checked by two councillors/chairman and reviewed by councillors each meeting ✓
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	N/A	No cashbook used ✓
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Contracts of employment for staff	Yes	Only one employee – clerk – reviewed by chair and minuted
Contract annually reviewed	Yes	Clark is paid on an annual basis and the terms are reviewed when payment is being approved
Updating records to record changes in relevant legislation	Yes	As above – clerk's contract is quite basic as only 7.5 hours/week
PAYE/NIC properly operated by the Council as an employer	Yes	Reviewed at time of approving pay cheque and HMRC cheque (the HMRC app is used for calculations). ✓
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VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	Not collected until sufficient to be worthwhile (last collected 2020)	✓
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Regular financial reporting to Parish Council	Yes	Finances reviewed each meeting	✓
Regular budget monitoring statements as reported to Parish Council	Yes	Budget analysis reviewed each meeting	✓
Compliance with DCLG Guide <i>Open & Accountable Local Government</i> 2014, Part 4: Officer Decision Reports	N/A	There has been no delegation of officer powers	✓
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	Details on website. All expenditure recorded for publishing at year end.	✓
Verifying that the Council is compliant with the General Data Protection Regulation requirements Are the following in place: <ul style="list-style-type: none"> • Audit / Impact Assessment • Privacy Notices • Procedures for dealing with Subject Access Requests • Procedure for dealing with Data breaches • Data Retention & Disposal Policies 	Yes Yes Yes Yes Yes	On website (Data protection Policy) On website (Data protection Policy) On website (Subject Access Policy etc) On website (Data Breach Policy & Procedure) The scant amount of data held (regarding cemetery) must be held indefinitely. Any other data is monitored in accordance with the Data Protection Policy.	✓
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	Yes	Stored by clerk until archived in chairman's safe. Digital copies on website	✓
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Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	Noted where necessary in minutes and in interests book	✓
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Adoption of Codes of Conduct for Members	Yes	Adopted October 2014 and held on web-site (being reviewed 2021 by NALC) * ✓
Declaration of Acceptance of Office	Yes	Declarations held by clerk ✓

Date of review of system of Internal Controls..... 25/3/21

Review of system of Internal Controls carried out by:

Name IAN WALKER Signature JSS Walker

Report submitted to Council (date)..... 28/3/21

(minute reference)..... April 2021 / 11

Next review of system of Internal Controls due..... Autumn 2021

Additional comments by reviewer:

* Since last year comments N.A.L.C. have consulted on this and are due to publish a revised 2021 Code of Conduct, once this happens Combe Parish Council have noted this as an agenda item for consideration.

JSS Walker