

## Theberton and Eastbridge Parish Council - Internal Controls 2018/2019

The Accounts & Audit (Amendment) (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the 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 the 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 not seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs'.*

As part of its internal controls, the Council conducts a review of the system of internal controls via the following tests on an annual basis with a written report of any findings submitted to the Council and minuted as received.

<b>Control Test</b>	<b>Comments</b>
Ensure the Asset Register is up to date.	Council reviewed and approved the Asset Register on 14/03/18. Next review and approval scheduled for 13/03/19. Clerk updates register following every purchase (defibrillators in November 2018, parking signs in November 2018, play equipment in December 2018).
Regular maintenance arrangement for physical assets.	Play equipment safety inspection by RII registered inspector conducted in September 2018. Report reviewed and noted by Council on 14/11/18.
Annual review of the Risk Assessment, including financial risk.	Council reviewed and approved the Risk Assessment on 09/05/18.
Annual review of adequacy of insurance.	Council reviewed and approved the insurance cover on 13/06/18 and the Fidelity Guarantee insurance on 11/04/18.
Awareness of Standing Orders.	Council reviewed and approved the Standing Orders on 14/03/18. Council decided not to adopt Model Standing Orders on 13/06/18. Next review and approval scheduled for 13/03/19.
Awareness of Financial Regulations.	Council reviewed and approved the Financial Regulations on 14/03/18. Next review and approval scheduled for 13/03/19.
Regular bank reconciliation, independently reviewed.	Council reviewed and approved bank reconciliations on: Quarter 4 09/05/18 Quarter 1 15/08/18 Quarter 2 14/11/18 Quarter 3 13/02/19 Bank reconciliations are signed by a Councillor who is not a bank account signatory.
Regular scrutiny of Cash Book to ensure income and expenditure correctly recorded.	The Cash Book is scrutinised as part of the quarterly bank reconciliation process.

Ensure annual budget for the following financial year is approved.	Council reviewed and approved the budget on 12/12/18.
Ensure precept level for the following financial year is approved based on annual budget.	Council reviewed and approved the precept level based on annual budget on 09/01/19.
Proper arrangements are in place for the approval of expenditure.	Every item of expenditure is proposed and seconded by members, voted on and recorded in the minutes. Quotations are considered and approved if applicable.
Recording in minutes the precise powers under which expenditure is approved.	Every item of expenditure has the power recorded in the minutes.
Payments supported by invoices, authorised and minuted.	Every payment is supported by an invoice, authorised by the Council and minuted at every meeting. Cheques are signed by two authorised signatories, invoices and cheque counterfoils are initialled.
Ensure the maximum amount of s137 expenditure is calculated annually and reported to Council.	Council noted the maximum amount of s137 expenditure on 09/05/18.
Ensure income, including precept, is correctly received, recorded and banked.	All income received is minuted at meetings. Income is received by cheques which are banked regularly and by direct bank transfer.
Ensure all staff have an Employment Contract.	The Clerk/RFO has an Employment Contract.
Records are updated to record changes in legislation.	Regular bulletins are received from SALC informing the Clerk of any changes in legislation. Records are updated as necessary.
PAYE/NIC/Pension properly operated by the Council as an employer.	Employer filing obligations are met by outsourcing payroll duties to SALC. Any PAYE/NIC due is notified to the Council by a SALC payslip at quarterly meetings and is paid by Council cheque. Council noted compliance with the Pensions legislation on 14/03/18.
VAT correctly accounted for and VAT payments identified, recorded and reclaimed.	All VAT is recorded in a separate column in the Cash Book and reclaimed annually. VAT paid from April 2018 to February 2019 was reclaimed in February 2019.
Regular financial reporting to Council.	The Council notes its financial position at every meeting.
Quarterly budget monitoring statements reported to Council.	Council reviewed and approved quarterly budget versus actual income and expenditure on: Quarter 4 11/04/18 Quarter 1 15/08/18 Quarter 2 10/10/18 Quarter 3 09/01/19
CIL reporting to Parish and District Councils in accordance with legislation.	No CIL payments received during financial year 2017/2018.
CIL expenditure in accordance with legislation.	No CIL payments received during financial year 2017/2018.
Compliance with Local Transparency Code.	Compliance is demonstrated by the following records published on the Parish Council page on the village website:

	<p>Items of Expenditure Over £100 2017/2018</p> <p>End of Year Accounts 2017/2018</p> <p>End of Year Bank Reconciliation 2017/2018</p> <p>Significant Variances 2017/2018</p> <p>Annual Governance Statement 2017/2018</p> <p>Internal Audit Report 2017/2018</p> <p>List of Councillor Responsibilities 2018</p> <p>Details of Land and Public Buildings 2018</p> <p>Minutes and Agendas and Meeting Papers</p>
Compliance with GDPR - Council registered as a Data Controller.	Council's registration renewed in April 2018.
Compliance with GDPR - progress made towards meeting the requirements.	<p>Privacy Notice adopted 13/06/18.</p> <p>All paper records reviewed and rationalised.</p> <p>Paper records are kept securely in a clear, identifiable filing system.</p>
Minutes consecutively numbered, signed and stored adequately for safe-keeping.	<p>Minutes approved and signed at every meeting.</p> <p>Minutes stored in a metal filing cabinet which only the Clerk can access.</p>
Procedures in place for recording and monitoring Members' Interests.	Every new Member completes a Register of Interests form and files with the District Council. Members are asked to declare any interests at every meeting and these are recorded in the minutes.
Adoption of Local Code of Conduct.	Council adopted on 12/10/16 and readopted on 14/03/18. Next review scheduled for 13/03/19.
Completion of Declaration of Acceptance of Office for Chairman and Co-Opted Members.	No new Members joined the Council this financial year. Chairman signed Declaration of Acceptance of Office on 09/05/18.

Reviewed and approved by Council on 13<sup>th</sup> March 2019.