

NORTON PARISH COUNCIL

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 quarterly 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	Reviewed and approved annually.
Regular maintenance arrangement for physical assets	Yes	Twice monthly inspection of play equipment reported at each monthly PC Meeting
Annual review of risk and the adequacy of Insurance cover	Yes	Insurance papers circulated to Councillors. Adequacy of cover approved on August 2022 Finance 10.2
Annual review of Fidelity Guarantee and cover	Yes	Reviewed on receipt of insurance renewal papers.
Annual review of financial risk	Yes	Reviewed yearly. Review in February 2022. Standing Order 14.1
Awareness of Standing Orders and Financial regulations	Yes	Standing Orders and financial regulations reviewed yearly.
Review and Adoption of Financial and Standing Orders	Yes	Reviewed yearly. Reviewed in February 2022 and March 2022.

Regular reporting on performance by contractors	Yes	Currently only grass cutting of playing field, MSDC Bin emptying and SCC Street Lighting.
Annual review of contracts (where appropriate)	Yes	Reviewed on renewal.
Regular bank reconciliation, independently reviewed	Yes	Reconciliation statements produced quarterly. Reviewed and approved in April 2022 (EOY) and August 2022
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	At each PC Meeting.
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	Recorded in minutes
Payments supported by invoices, authorised and minuted	Yes	Payments authorised at each monthly meeting, authorised, initialled and minuted.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Receipts and payments income reviewed in April 2022 (EOY) and August 2022. Bank statements viewed by Internal control auditor
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	Paid directly into PC bank account, recorded on bank statement, and minuted
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer	Yes	Clerk contract undergoing review. PAYE operated and submitted to HMRC monthly. Viewed and approved at monthly Council meeting.
Staff details eg salary – held in a secure and appropriate manner.	Yes	
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	VAT recorded, and claimed at the end of each financial year. Claim for 2021-2022 submitted in June 2022 and received July 2022. Bank statement viewed by internal control auditor.
CIL expenditure recorded and reported to PC and District in accordance with legislation	Yes	EOY CIL statement completed, circulated to councillors and submitted to MSDC at end of financial year.
Regular financial reporting to Parish Council	Yes	At each PC Meeting

Regular budget monitoring statements as reported to Parish Council	Yes	At each PC Meeting. Budget statement given at monthly Council meeting.
Compliance with GDPR	Yes	Files held with Clerk and reviewed yearly.
Compliance with Local Transparency Code Of 2015	Yes	Minutes, Agendas and standing orders on website when approved by Council
Minutes properly numbered and paginated with a master copy kept for safekeeping	Yes	Minutes kept in loose folder and pages numbered
Compliance with Data Protection Legislation and registered with ICO	Yes	ICO registration ref ZA534694
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	Agenda item at each monthly meeting.
Adoption of Codes of Conduct for Members	Yes	New Model Code of Conduct 2020 formally adopted in July 2022
Declaration of Acceptance of Office	Yes	Completed in May 2019 when local election occurred, Chairman DAO completed May 2022 at AGM. DAO completed by new Councillors upon cooption.

Date of review of system of Internal Controls.....13th October 2022.....

Review of system of Internal Controls carried out by:

Name.....Robert Lenko.....Signature.....*R. Lenko*.....

Report submitted to Council (date)...7TH...November 2022.....

(minute reference)...Finance 9.2.....

Next review of system of Internal Controls due.....March/April 2023.....

Additional comments by reviewer: