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INTERNAL CONTROLS

Reviewed 26 & 27 February 2024.

Presented to Finance, Governance & Estates Committee on 14 March 2024.

INTERNAL CONTROLS

1. Introduction

The Council is required to undertake a review of the effectiveness of the internal controls in each Parish Council year. It is important to note that this is not a matter for delegation to the Clerk and this review will be presented to Council each year for approval and re-adoption.

Under the Financial Regulations the Parish Council is responsible in law for ensuring that its financial management is adequate and effective and that the Parish Council has a sound system of internal control in accordance with proper practices, which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

The set of internal controls demonstrate how the Parish Council meets these responsibilities and requirements.

A summary of achievements and any areas for development are listed within each notes area.
(Actions Required are in Red)

2. Action Updates from September 2023

Area of Review: Regulatory Documents

Test	Minute No.	Notes
J) Minute Reference of adoption of Asset Register and confirmation the content is reviewed six monthly under Internal Controls	C23/24.018	Council Meeting 18 May 2023 adopted. Updated 30 August 2023. FGE approved 19.9.23 Minute F23/24.050. Council agreed 26.9.23 Minute C23/24.067.5.ii Recommendation to include insurance/replacement value uplift.
L) Appropriate Insurances are in place to cover risks	C23/24.021	Check contents cover for Court Bushes (as items not listed in asset register).

Area of Review: Payroll

Test	**Y/N**	Notes
K) Are three yearly Pension auto-enrolment completed and reported to the Pension Regulator	NO	All employees enrolled in Local Government Pension Scheme.

Internal Review

2. Area of Review: Regulatory Documents

Test	Minute No.	Notes
A) Minute Reference of review and adoption of Standing Orders	C23/24.010	Council Meeting 18 May 2023
B) Minute Reference of review of and adoption of Financial Regulations	C23/24.011	Council Meeting 18 May 2023
C) Minute Reference of review of 2022/23 Internal Audit Report	C23/24.019	Council Meeting 18 May 2023
D) Minute Reference of adoption of Annual Governance and Accounting Return (AGAR) Section 1: Governance Statement	C23/24.020.2	Council Meeting 18 May 2023
E) Minute Reference of adoption of AGAR Section 2: Accounting Statement	C23/24.020.3	Council Meeting 18 May 2023
F) Minute Reference of Approval of Internal Audit Certificate	C23/24.020.1	Council Meeting 18 May 2023
G) Minute Reference of Approved Notice of Electors Rights	C23/24.020.4	Council Meeting 18 May 2023
H) Minute Reference of adoption of annual budget	C23/24.105	Council Meeting 14 December 2023
I)Minute Reference of review of annual fees and charges	C23/24.092.3.1	Council Meeting 30 November 2023
J) Minute Reference of adoption of Asset Register and confirmation the content is reviewed six monthly under Internal Controls	C23/24.018	Council Meeting 18 May 2023 adopted. Updated 30 August 2023. FGE approved 19.9.23 Minute F23/24.050. Council agreed 26.9.23 Minute C23/24.067.5.ii
K) Minute Reference of assessment of significant risks and review of arrangements to manage these	C23/24.031	Council Meeting 18 May 2023
L) Appropriate Insurances are in place to cover risks	C23/24.021	Council Meeting 18 May 2023. Insurance Renewal Date 1 June 2024. Van Insurance Renewal 10 Sept 23
M) The Register of Member's Interests are kept up to date and signed declaration of acceptance of office are on file	YES	Signed copies on file for all Cllrs of Declaration of Acceptance of Office and Register of Interests also on Website.

Date review carried out: 26 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

Signed:

Internal Review

3. Area of Review: Income Controls

Test	Y/N	Notes
A) Confirm the FG&E Committee records monthly checks of receipts, bank recs, balance sheet, nominal ledger and agreed coding of income.	**YES**	Vice Chair of FGE Cttee sign bank reconciliations.
B) Ensure that precept is received on time and is the amount agreed in the budget.	**YES**	1st Paid into the Bank on 28.04.23 and 2nd on 29.09.23
C) Ensure that rents from the Bowling Club, Tennis Club, WSALC, Chantry Stables and Allotments are received and banked regularly.	**YES.**	Invoices prepared and sent on time. Receipts confirmed.
D) Ensure bank interest is banked and coded correctly.	**YES**	
E) Ensure sales invoices (Cemetery and Court Bushes hirers) are correctly made out and VAT accounted for where applicable.	**YES**	VAT Not Applicable.
F) Ensure monies received meet invoices raised and are banked properly.	**YES**	Sales Invoice checked for: Cemetery Invoice CO16 Kemp & Stevens.
G) Ensure receipts are properly recorded in the cash book.	**YES**	
H) Ensure credit controls are in place to keep debts to a minimum especially at end of financial year.	**YES**	Most sales invoices paid in advance or as required by Leases. Accrual process in place.
I) Ensure that more than one person is present when significant amounts of cash over £300 are received and counted.	**YES**	
J) Ensure receipts are issued for cash receipts over £10.	**YES**	

Date review carried out: 26 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

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Internal Review

4. Area of Review: Payment Controls

Test	Y/N	Notes
Confirm the FG&E Committee records monthly checks of payments, bank recs, balance sheet, nominal ledger and agreed coding of expenditure.	**YES**	Vice Chair of FGE Cttee sign bank reconciliations.

Test	**Invoice 1**	**Invoice 2**	**Invoice 3**
Payee	Roch NDT	Barston Plastics	Monitor Cleaning
Amount (In Gross)	£1,320	£96.24	£742.15
Date Paid	19.10.23	11.1.24	1.6.23
A) Check that payment authority has been recorded or minuted.	CM Email 1.9.23	DR Email 10.1.24 (See Note 2)	On Monthly Payment List (See Note 3)
B) Check that the Works or Purchase Order issued agrees with the authorisation.	WO 19.23/24	Paid on a Proforma	No Order Completed
C) Check that invoice being paid corresponds with the Works or Purchase Order.	Yes	Yes	NA
D) Check that the works are completed or the good are received for the invoice being paid.	Yes	Yes	Yes
E) Check that invoice has been entered correctly on the RBS system, including any VAT.	Yes	Yes	Yes
F) Check that payment is within reasonable time period as per the payment terms.	Yes	Yes	Yes
G) Confirm payment has gone through the bank.	Yes	Yes	Yes
H) Are all contractors used "approved".	No (See Note 1)	NA – one-off	No

Note 1: Appointing Roch NDT was required urgently to meet Christmas Lights deadline.

Note 2. This purchase was paid for in advance of delivery on a pro-forma invoice. A Purchase Order should still have been completed.

Note 3: All annual "contracts" to be approved in advance by FGE Committee in March for succeeding financial year and a formal Works Order issued to each.

Date review carried out: 26 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

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Internal Review

5. Area of Review: Payroll

Test	Y/N	Notes
A) Are all employees in payroll system? (Check there are no ghost employees.)	**YES**	Checked 27 Feb 2024.
B) Do all employees have contracts of employment?	**YES**	Template agreed at each May Council meeting.
C) Are salaries prepared correctly?	**YES**	By WSCC Payroll.
D) Are National Insurance deductions applied correctly by WSCC?	**YES**	New spreadsheet confirms correct rates charged.
E) Are Payroll records being kept correctly?	**YES**	
F) Whether P45's for leavers, are filed correctly?	**YES**	P45's are sent directly to leavers by Payroll.
G) Whether P60's (End of Year Tax Certificate) are issued annually?	**YES**	P60's are sent directly by Payroll to all.
H) Are all employees in the Local Government Pension Scheme or National Employment Savings Trust (NEST) if applicable? And if not is there written evidence of their opting out?	**YES**	All employees in LGPS.
I) Are Pension contribution rates (Employee) applied correctly by WSCC?	**YES**	New spreadsheet confirms correct rates charged.
J) Are correct payments made to Pension Authority by WSCC?	**YES**	Annual Pension Benefits Statements issued to each employee.
K) Are three yearly Pension auto-enrolment completed and reported to the Pension Regulator	**NO**	All employees enrolled in Local Government Pension Scheme.
L) Are annual pay awards advised in writing?	**YES**	
M) Are councillor allowances prepared correctly (where applicable)?	**YES**	By WSCC Payroll.

Date review carried out: 26 February 2024

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Internal Review

6. Area of Review: Petty Cash

Test	Y/N	Notes
A) Is Petty Cash kept securely?	**YES**	Petty cash tin locked and kept in locked safe.
B) Ensure petty cash vouchers are authorised in advance by the RFO, and within relevant budget limits.	**YES**	
C) Ensure Petty Cash is reimbursed correctly.	**YES**	
D) Ensure vouchers are entered correctly in cash book.	**YES**	
E) Ensure Petty Cash is reconciled at least every quarter or as required.	**YES**	Cashbook reconciliation now reported to FG&E Committee quarterly.

Date review carried out: 27 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

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Internal Review

7. Area of Review: Fidelity Protection

Test	Y/N	Notes
A) Is Fidelity Insurance Protection in place?	**YES**	
B) Do internal auditors audit the accounts every six months?	**YES**	Currently Mulberry & Co. Next Internal Audit booked for 1/5/24.
C) Are satisfactory references obtained from current and former employers and DBS checks made for the recruitment process?	**YES**	Process to obtain references in place. DBS Check for all staff are in place.
D) Have there been any questions raised about the honesty of an employee?	**NO**	
E) Has the Council appointed a competent person as Responsible Finance Officer?	**YES**	The Clerk is CiLCA qualified (Certificate in Local Council Administration)
F) Are bank statements, payments and receipts checked at least monthly against the RBS system?	**YES**	Checked by the Finance, Governance & Estates Committee each month and signed by the Vice-Chair.
G) No more than £1,000 cash is kept in the safe at any one time.	**YES**	
H) Are cheques and cash paid into the bank at least monthly?	**YES**	
I) If cheques are issued, are they signed by at least two councillors.	**YES**	No cheques issued since 17/11/22.
J) Are two employees required to authorise BACS payments?	**YES**	Clerk/RFO and Assistant Clerk (AC1).
K) Has Council approved all Direct Debit authorisation?	**YES**	Renewed at each May Council. 18 May 2023 Minute C 23/24.022.
L) Has the computer security been vetted by a professional company?	**YES**	Joel Baker Computers used. Clerk and Consultant in regular contact.
M) Are employees required to keep passwords secure at all times?	**YES**	Facial recognition used for log-in.
N) Are Cllr and employee expense claims checked against receipts?	**YES**	

Date review carried out: 27 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

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Internal Review

8. Area of Review: VAT Controls

Test	**Y/N**	**Notes**
A) Are VAT records properly maintained?	**YES**	Manual data entry by Clerk and VAT report created automatically in RBS.
B) Are VAT forms submitted correctly each quarter?	**YES**	Reported to FG&E Committee each quarter for noting.
C) Is VAT income paid correctly and on time?	**YES**	Bank statements and RBS used to verify receipts.

Date review carried out: 27 February 2024

By: Cllr Duncan Ranger, Chair of Finance, Governance & Estates Committee & Sarah Groom, Clerk

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