

FORNHAM ALL SAINTS PARISH COUNCIL

INTERNAL CONTROL

The Accounts and Audit Regulations 2015 aim 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 it’s internal control, the Parish Council has appointed a Councillor to review the bank reconciliation in detail and to evidence that review by signing the bank statements and to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

| CONTROL TEST | TEST DONE | COMMENTS |
|--|-----------|---|
| | Yes or No | |
| Ensuring an up to date Register of Assets | ✓ | |
| Regular maintenance arrangement for physical assets | ✓ | |
| Annual review of risk and the adequacy of Insurance cover | ✓ | IMPROVED THIS YEAR - POLICY NOW MORE THAN COVERS AGGREGATED ASSET VALUES. |
| Awareness of Standing Orders and Financial regulations | ✓ | |
| Adoption of Financial & Standing Orders | ✓ | |
| Regular reporting on performance by contractors | ✓ | |
| Annual review of contracts (where appropriate) | ✓ | |
| Regular bank reconciliation, independently reviewed | ✓ | |
| Regular scrutiny of financial records and proper arrangements for the approval of expenditure | ✓ | |
| Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved | ✓ | |
| Payments supported by invoices, authorised and minuted | ✓ | |
| Section 137 expenditure separately recorded and within statutory limits | ✓ | |
| Regular scrutiny of income records to ensure income is correctly received, recorded and banked | ✓ | |

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|---|---|---------------------------|
| Scrutiny to ensure precept recorded in the cashbook agrees to St Edmundsbury Borough Council's notification | ✓ | |
| Contracts of employment for staff Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer | ✓ | |
| VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook | ✓ | |
| Regular financial reports | ✓ | DONE AT EACH P.C. MEETING |
| Regular budget monitoring statements | ✓ | |
| Minutes properly numbered and paginated with a master copy kept in safekeeping | ✓ | |
| Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality | ✓ | |
| Compliance with the Openness of Local Government Bodies Regulations 2014 | ✓ | |
| Compliance with Transparency Codes | ✓ | |
| Registration with ICO | ✓ | |
| Evidence for compliance with new GDPR Requirements | ✓ | |
| Adoption of Codes of Conduct for Members | ✓ | |
| Declaration of Acceptance of Office | ✓ | |

Date of review of system of Internal Controls..... 1 MARCH 2018

Review of system of Internal Controls carried out by H. Pugh (CHAIRMAN, FAS PARISH COUNCIL)

Report submitted to Council (date).....

(minute reference).....

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

Additional comments by reviewer.....

