

ELMSWELL PARISH COUNCIL

APPENDIX F
23.10.14 refers

INTERNAL CONTROL REPORT 2023

The Accounts & Audit (England) Regulations 2015, and as since variously amended, aims to strengthen governance and accountability through requirements related to internal control and internal audit.

The Parish Council 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, Elmswell Parish Council appointed (Ref. 23.07.14) Cllrs Pallett & Schofield, as non-signatory Members, to conduct a mid-term review of the system of internal control guided by the following tests with a written report of their findings to be submitted to the Council and minuted as received. The Councillors conducted an examination at the Council Office on 04.10.2023 where they had full and unfettered access to all of the Council files and documents both in hard copy and on line. They followed by the pro forma guidance which was approved by Council ref 23.09.12 but were not restricted to that document.

CONTROL TEST	FINDINGS – check text and/or documents	ACTION recommended
Regular maintenance arrangement for physical assets	Reviewed signed periodic maintenance reports re Intruder & Fire alarm systems / fire appliances and all found to be current and in order	No action necessary
Review of the adequacy of insurance cover	Reviewed Victor Multi-Cover Third Sector Secure Policy expiring 27.06.2024. Cover deemed to be adequate.	No action necessary
Annual review of financial risk	Noted Financial Risk Assessment signed by Chairman 15.05.2023 as properly gauging the Council's financial risk with no action deemed necessary.	No action necessary

Standing Orders and Financial regulations adequate	Noted latest review as 16.05.2022 and potential need for review with reference to Authority to Spend at 4.1 which are not indexed to inflation.	Review Standing Orders with specific reference to Spending Authority limits.
Annual review of contracts with external agencies where appropriate	Noted review of grass cutting contract at cemetery / Crown Mill / Clayfield due 02.02.2024. On-going contracts with Vertas (SCC) & BMSDC re sports field grass cutting & bin emptying in place and as before.	Note grass cutting contract review date
Regular bank reconciliation, independently reviewed	Noted that Chairman reviews and signs off hard-copy Bank Statements as minuted at monthly meetings.	No action necessary
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Acknowledged monthly publication to Members and on website of full accounts, duly minuted, and Members receiving monthly Indicative Financial Statement representing an exhaustive overview of all transactions with projections to year-end.	No action necessary
Payments supported by invoices, authorised and minuted	3 random invoices checked against Bank Statements. Confirmed all duly signed, countersigned and paper trail in order.	No action necessary
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	As presented at each monthly meeting of Council and deemed to be in order.	No action necessary
Contracts of employment for staff	Random contract requested and on file, signed and dated.	No action necessary
PAYE/NIC properly operated by the Council as an employer	Payroll Manager package remains adequate for all payroll tasks including calculation of HMRC Monthly Return.	No action necessary
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Sage accounts package calculates VAT out-turns in format for direct submission to HMRC.	No action necessary

Regular financial reporting to Members	Noted that comprehensive monthly financial Reports tabled to monthly meetings where question and comment are invited.	No action necessary
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500 recorded	Noted that all items over threshold, including wages (not personally attributed) are published as required on website.	No action necessary
Verifying that the Council is compliant with the General Data Protection Regulation & Freedom of Information Act compliance.	Data Protection Registration Certificate ref. Z274902X checked & confirms compliance to 03.07.2024.	No action necessary
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Noted 2 recently bound books of signed Minutes and associated documents covering May 2018 – April 2022 to be lodged with Suffolk Records Office and that parallel copies are retained in office files.	No action necessary
Procedures in place for recording and monitoring Members' Interests	Noted that on-line process managed by BMSDC covers this.	No action necessary
Adoption of Codes of Conduct for Members	Noted that Declarations of Acceptance of Office confirms individual undertakings to observe the LGA Model Code as adopted 16.05.2022.	No action necessary
Declarations of Acceptance of Office recorded for all Members & Chairman	Noted that Register is up to date, last entry 03.08.2023.	No action necessary

This Review of system of Internal Controls was carried out by Cllrs Fred Pallett & Mike Schofield on 04.10.2023

Signature *Cllr Fred Pallett*

Signature *Cllr Mike Schofield*