

CODDENHAM 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 appoints a Councillor, on a rota basis, 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
Ensuring an up-to-date Register of Assets	Yes	NSDM – Register for 31-Mar-2024 published on the PC website
Regular maintenance arrangement for physical assets	No	NSDM – Inspected regularly and maintained on an as needed basis. List last formally reviewed by council at meeting on 8 th May 2024 minute 651.
Annual review of risk and the adequacy of Insurance cover	No	NSDM – the review of insurance cover is on the agenda for the council’s meeting to be held 6 th November 2024.
Annual review of financial risk	Yes	NSDM – the updated Risk Register (including financial risk) was reviewed and agreed at council’s meeting of 14 th March 2024, minute 622.
Awareness of Standing Orders and Financial regulations	Yes	NSDM
Adoption of Financial and Standing Orders	Yes	NSDM – 13 th July 2023, minute 542
Regular reporting on performance by Contractors	No	NSDM – currently undertaken on an ad hoc basis. Council should consider putting a formal process in place.

Annual review of contracts (where appropriate)	Yes	NSDM – currently these are reviewed annually when they fall due and reconsidered when determining and agreeing the Council’s budget for the following fiscal year.
Regular bank reconciliation, independently Reviewed	Yes	NSDM – Reviewed at each Council meeting
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	NSDM – Reviewed at each Council meeting
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	NSDM – Reported in the monthly Schedule of Payments and approved by Council.
Payments supported by invoices, authorised and minuted	Yes	NSDM - Reported in the monthly Schedule of Payments with attached supporting invoices and approved by Council.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	NSDM – Reported in the monthly Finance Report and review of bank statements.
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	NSDM – anticipated and recorded in the April and September Finance Reports based on MSDC payment schedules.
Contracts of employment for staff	Yes	NSDM – single employee.
Contract annually reviewed	Yes	NSDM – Clerk’s annual review was undertaken on 16 th October 2024.
Updating records to record changes in relevant legislation	Yes	NSDM – as and when applicable. SALC provides guidance.
PAYE/NIC properly operated by the Council as an employer	Yes	NSDM – Online HMRC application in place. HMRC claims via direct debit.
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	NSDM – detailed in the monthly Finance Report
Regular financial reporting to Parish Council	Yes	NSDM – Reported to each Council meeting and circulated monthly by email.
Regular budget monitoring statements as reported to Parish Council	Yes	NSDM - Spend-to-date and ‘best estimate’ forecast provided monthly.

Compliance with DCLG Guide <i>Open & Accountable Local Government</i> 2014, Part 4:	Yes	NSDM – Published on the Council website.
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	NSDM - although the annual turnover falls below the reporting threshold, council produces a quarterly report of items of expenditure above £500, in addition to details of all expenditure being available in the packs for each meeting.
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	NSDM
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	NSDM – policy adopted by Council 15 July 2021, minute 216(vi)
Adoption of Codes of Conduct for Members	Yes	NSDM
Declaration of Acceptance of Office	Yes	NSDM

Date of review of system of Internal Controls: 25 October 2024

Review of system of Internal Controls carried out by:

Councillor Nicholas Mills

Signature 

Report submitted to Council:

6 November 2024

(minute reference)

Next review of system of Internal Controls due March 2025

Additional comments by reviewer:

None