

Bayston Hill Parish Council

Statement of Internal Control

Review as to the effectiveness of the system of internal controls

Scope and Responsibility

The Council is responsible for ensuring the business is conducted in accordance with the law and proper standards; and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance/

Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives; and to evaluate and manage those risks accordingly.

Review of Effectiveness

An annual review is to be undertaken by the Finance Committee which reports directly to Council; in addition it is the responsibility of the Finance Committee to review the Risk Management Plan on an annual basis.

Percentage Compliance 94.3%

Question	Answer	Recommendation for Action (if required)	Notes:
Proper book-keeping			
Is the cashbook maintained and up to date?	Yes		
Is the cashbook arithmetically correct:	Yes		
Is the cashbook regularly balanced?	Yes		
Standing orders / financial regulations adopted and applied. Payments controls.			
Has the council formally adopted standing orders and financial regulations?	Yes		
Has a Responsible Financial Officer been appointed with specific duties?	Yes		
Are items or services competitively purchased?	Yes		
Has VAT on payments been identified, recorded and reclaimed?	Yes		
Risk management arrangements			
Are payments authorised by Council?	Yes		
Do minutes record the Council carrying out an annual risk assessment?	Yes		
Is insurance cover appropriate and adequate?	Yes		
Are internal financial controls documented and regularly reviewed?	Yes		
Budgetary controls			
Has the Council prepared an annual budget in support of its precept?	Yes		
Is actual expenditure against the budget regularly reported to the Council?	Yes		
Have all significant variances to budget been adequately explained?	Yes		
Income controls			
Is income properly recorded and promptly banked?	Yes		
Does the precept recorded agree to the Council Tax authority's notification?	Yes		
Are security controls relating to cash adequate and effective?	Yes		
Petty cash procedures			
Is all petty cash spent recorded and supported by VAT invoices/receipts?	Yes		
Is petty cash expenditure reported to each Council meeting?	Yes		Limited transaction activity - reported to Council when there is activity.
Is petty cash reimbursement carried out regularly?	Yes		Since June 2020 contactless card payments introduced and no cash handling since.
Payroll controls			
Do all employees have contracts of employment with clear terms and conditions?	No		Temporary employee awaiting employment contract
Do salaries paid agree with those approved by the Council?	Yes		
Are other payments to employees reasonable and approved by the Council?	Yes		
Have PAYE/NIC been properly operated by the Council as an employer?	Yes		
Asset controls			

Does the council maintain a register of all material assets owned or in its care?	Yes		
Are the asset and investment registers up to date?	Yes		
Do asset insurance valuations agree with those in the asset register?	No	Insurance review recommended revaluation of buildings	Asset values fixed in accordance with Accounts and Audit Regulations 2003
Bank reconciliation			
Is there bank reconciliation for each account?	Yes		
Is bank reconciliation carried out regularly and in a timely fashion?	Yes		Monthly
Have any unexplained balances in reconciliation been adequately explained ?	Yes		The January 2021 bank rec report was re-issued after a cheque payment amount was entered inaccurately.
Is the value of the investments held summarised on the reconciliation?	See Notes	Recommend this be introduced if the Council decides to invest.	Currently the Council has no "in the market" investments - should this change the action in the recommended column will activate.
Has the bank reconciliation statement for each account been checked and verified by a Cllr, in accordance with financial regulations?	Yes		Monthly Currently Cllr Underwood
Year-end procedures			
Are year end accounts prepared on the correct accounting basis (Receipts and Payments / Income and Expenditure)?	Yes		Income and Expenditure
Do accounts agree with the cashbook?	Yes		
Is there an audit trail from underlying financial records to the accounts?	Yes		

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General comments:

Date of Review: _____

Minute Reference _____

Date of next review: _____

Review conducted by Councillors (to be signed and dated by ALL Councillors involved):

Cllr _____ Date _____

Cllr _____ Date _____

Cllr _____ Date _____

Cllr _____ Date _____

Cllr _____ Date _____

Cllr _____ Date _____