

BRYMPTON PARISH COUNCIL DOCUMENT FIN.DOC.6**POLICY AND PROCEDURE FOR THE REVIEW OF INTERNAL CONTROL FOR YEAR
ENDING 31 MARCH 2023****PURPOSE:**

The Accounts and Audit Regulations 2015 require smaller authorities, such as the BPC, each financial year, to conduct a review of the effectiveness of the system of internal control. This policy and procedures document defines the framework for an effective review undertaken by the BPC to satisfy the regulatory requirements.

SCOPE:

Brympton Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

1: PURPOSE & PROCEDURES**1.1 Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

1.2 The Internal Control Environment**1.2.1 Council**

The Council has appointed a chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its objectives and budget and the level of precept required for the following year at its January Meeting.

1.2.2 Clerk

The Council is presented with quarterly monitoring statements and bank reconciliations for signature.

1.2.3 Monthly cheque signatories

Two Councillors, chosen at random each month, as the required cheque signatories, are responsible for checking :-

- All documentation relating to the payments presented for approval at the parish council meeting
- Cheque book and the prepared cheques for the parish council meeting
- Clerk's expenses

1.2.4 Monthly Internet Banking signatories

The monthly internet banking payments, when necessary, are set by the clerk.

Two Councillors, chosen at random by email from UNITY Bank, will authorise the payments online

- All documentation relating to the payments presented for approval at the parish council meeting

1.2.5 Monthly bank statement signatory

One Councillor, chosen at random each month, is responsible for checking: -

- Bank statements
- Monthly reconciliation of the bank statements against the reported balance as detailed on the previous months finance sheet.

1.2.6 Financial Officer

The Council has appointed a Clerk of the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

1.2.7 Payments

All payments are approved by Council.

Debit Card
Standing Orders:
Direct Debits:

Confirm that Standing Orders and Direct Debits are still valid and current. These payments are reviewed annually.

1.2.8 Risk Assessments/Risk Management

The Council annually reviews its risk assessments in respect of its activities and reviews its system and controls.

1.2.9 Internal Audit

The Council has appointed an independent Internal Auditor, Mrs I Meecham for the year 2020 who will report to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The effectiveness of internal audit is reviewed annually.

1.2.10 External Audit

The Council's appointed External Auditors for 2020 are PFK Littlejohn LLP. However, due to both income and expenditure being under £25,000, in April XXXX the Council can resolve to certify itself as exempt from a limited assurance review or pay for PFK Littlejohn LLP to carry out a review.

1.2.11 Review of Effectiveness

The review of the effectiveness of the system of internal control is informed by:

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- Publication Requirements - The Council must publish various documents on its website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities

Adopted date:		27 th July 2022
Review frequency:		Yearly
Next review date:		July 2023
Previous review date:		February 2020
Version No:	Revision date:	Summary of Changes:

END OF DOCUMENT

APPENDIX A**BRYMPTON PARISH COUNCIL DOCUMENT FIN.DOC.6****PROCEDURE FOR CONDUCTING THE INTERNAL AUDIT****PURPOSE:**

To define the role and procedures adopted by the Internal Auditor when conducting the annual internal audit of the Brympton Parish Council

SCOPE:

Insert scope here

1: RULES & GUIDELINES GOVERNING THE AUDIT PROCESS**1.1 Internal Audit Plan**

- 1.1.1 The Internal Auditor will:
- understand basic accounting processes
 - understand the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of Council
 - be aware of risk management issues
 - understand accounting requirements of the legal framework and powers of local councils.
- 1.1.2 The Internal Auditor will work to the requirements contained in the suggested approach at Appendix 5 of the “Governance and Accountability in Local Councils in England and Wales – a Practitioner’s Guide.” The Internal Auditor’s work will take into account the whole of the Parish Council’s system of internal control, including risk management. Other work may be required from time to time.
- 1.1.3 Where fraud by an officer is suspected, the Internal Auditor will report to the Chairman of the Parish Council. Where fraud by a councillor is suspected, the Internal Auditor will report to the Clerk to Brympton Parish Council/Responsible Financial Officer.
- 1.1.4 The Internal Auditor will have direct access to the Clerk to the Council/Responsible Financial Officer and Chairman.

- 1.1.5 The Internal Auditor will report in his/her own name to Council.
- 1.1.6 The Internal Auditor will have no other role within the Parish Council.
- 1.1.7 Internal Audit will be carried out ethically, with integrity and objectivity.
- 1.1.8 The Clerk to the Council/Responsible Financial Officer will be consulted on the Audit Plan and on the scope of each audit.
- 1.1.9 The Risk Assessment Policy will define responsibilities for officers and members in relation to internal control and risk management. Training will be provided as appropriate. If an officer suspects fraud or corruption by a member, he/she will first discuss the matter with the Internal Auditor. If a member suspects fraud or corruption by an officer, he/she will first discuss the matter with the Internal Auditor.
- 1.1.10 The Internal Auditor will report in accordance with the Audit Plan by 31st May annually.
- 1.1.11 The Internal Auditor's report will be considered by the Parish Council at the first opportunity.

1.2 Report/Remit of the Internal Auditor for the Year Ending 31 March**Internal Auditor:****Date of Audit Visit:**.....**Checks Undertaken:**

Activity	Checked	Comment/Report to Council
Will the Council formally approve the end of year accounts at the Annual Meeting? Agenda Item checked.		
Do those accounts accord with the information given in Section 1 of the Annual Return?		
Will the Council give members of the public the opportunity to inspect and raise questions on the accounts? Evidence of notice to be provided?		
Has Council responded positively to issues that were raised in the previous internal audit report?		
Has Council been advised of the need to approve the Annual Return by the specified date		
Are significant variances in the Annual Return (section 1) figures explained?		

Has an Asset register been submitted, up to date and concurring with Annual Report (section 1, box 9)?		
Have financial and other risk assessments been undertaken? Date and minute number checked?		
Has Council undertaken a review of its insurance cover including taking cognisance of advice from its insurers? Date and minute number checked.		
Is there evidence that Council considers what legal powers it is using when contemplating undertaking activities? Date and minute number checked.		
Has Council adopted financial regulations and a standing order to manage contracts for goods and services?		
Is there a Council Minute recording the precept decision? Date and Minute number checked?		
Has a budget been approved? Date and Minute Number checked		
Are receipts and payments properly recorded and linked to approvals? Spot checks carried out?		
Has a separate record of VAT been kept in the accounts?		
Has a separate record for Section 137 payments been maintained? (If applicable)		
Are bank reconciliations provided regularly and definitely to 31 March?		
Have petty cash transactions been recorded and reconciled?		
Are all payments approved by Council and recorded in minutes?		
Have tax and National Insurance requirements been properly applied?		
Have pension contributions been properly calculated and collected?		
Have you been provided with access to all documents requested?		
Were you supplied with contact details for the Clerk and Chairman – if requested?		
Were terms of appointment as Internal Auditor made clear on appointment?		
Were adequate explanations provided for any query or request for extra information?		
Did you liaise with the Clerk/RFO before your visit?		
Were areas and activities for checking agreed before your visit?		
Were you informed of any legislative changes which might affect your audit inspection?		

I confirm that in acting as Internal Auditor to Brympton Parish Council, I am wholly independent of the Council. I have carried out the above checks and been satisfied of the Council's position prior to completion of Section 4 of the Annual Return of Brympton Parish Council.

Signed: Dated:.....