

LINDSEY PARISH COUNCIL

INTERNAL CONTROL

The Accounts & Audit 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 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. It should ensure that internal control tests are proportionate and relevant and should not show undue interference in the RFO's day to day management of financial affairs.

As part of its internal control, the Council conducts an annual review of the system of internal control via the following tests.

CONTROL TEST	COMMENTS
Ensuring an up to date Register of Assets	Review March 2018
Maintenance arrangement for physical assets	Review carried out by Clerk in March 2018
Annual review of risk & the adequacy of insurance cover	Carried out September 2018
Awareness of Standing Orders & Financial Regulations	Yes - all uploaded onto website
Adoption of Financial & Standing Orders	Yes - reviewed March 2017 & 2018
Regular bank reconciliation, independently reviewed	Review carried out by Chair - March 2018
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Expenditure approved at each and every meeting. Council operates with 2 signatory rule
Recording in the minutes or appendices the precise powers under which expenditure is being approved	Yes - see Appendices of minutes. Annual reporting of expenditure incurred over £100
Payments supported by invoices, authorised and minuted	Yes - signatories verify prior to signing cheques
Regular scrutiny of income records to ensure income correctly received, recorded and banked	Income received reported at each and every meeting.
Scrutiny to ensure precept recorded in the cashbook agrees to notification	Chair to verify in March 2018
Contracts of employment for staff, annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by Council as an employer	Chair to verify in March 2018
VAT correctly accounted for, payments identified, recorded and reclaimed in the cashbook	VAT claim submitted January 2018 – in excess of £100
Regular financial reports	Bi-monthly - bank reconciliations and details of expenditure and income received
Regular budget monitoring statements	Bi-monthly budget to actual reports submitted
Minutes properly numbered and paginated with a master copy kept for safekeeping	Yes
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	At each and every meeting
Adoption of Codes of Conduct for Members	2014
Declaration of Acceptance of Office	Full Council 2015; Chair at each and every APCM

Period covered by review of Internal Controls.....01.04.2017 - 31.03.2018

Date of review of system of Internal Controls.....14.03.2018

(minute reference).....7 viii