



INTERNAL CONTROL POLICY

1 Introduction

The Accounts and Audit Regulations 2015 places a number of duties on Acaster Malbis Parish Council as a public authority as follows:

- Regulation 3 requires that the council has a sound system of internal control.
- Regulation 5 requires that the council undertakes an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- Regulation 6 requires that the council conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement.

This document describes the internal control processes of the council.

2 Responsibilities

The council has appointed a clerk to the Council who acts as the council's advisor and administrator. The clerk is the council's Responsible Financial Officer (RFO) and is responsible for administering the council's finances.

The clerk is responsible for advising on the day-to-day compliance with laws and regulations that the council is subject to and also for managing risk.

The clerk also provides advice to help the council ensure that its procedures, control systems and policies are adhered to.

3 Budget Control

Each year a business plan will be created that documents the objectives for the council in the following year. A budget will be created based upon the objectives on the business plan for that year. The budget will be considered by the council and once approved, the precept will be calculated. The precept notice will be sent to the City of York Council before the end of January.

The costs versus budget will be monitored quarterly at a meeting of the council to ensure that spending is in accordance with the budget. Purchase decisions outside of the budget will be recorded by resolution in a meeting of the council.

4 Risk Management

The council carries out an annual review of its financial risk in February/March, and will regularly reviews its systems, controls and policies.

5 Monthly Internal Control

At the end of each month the RFO will produce an internal control document comprising a bank reconciliation statement and a list of purchase and receipt transactions for that month. A council member will be asked to confirm the following:

- There is agreement between the bank statements and the bank reconciliation.

- That the entries listed in the transaction list agree with the bank statements.
- That no other transactions have taken place other than those listed.
- That the invoices totals in the cashbook agree with the actual invoice.

6 Internal Audit

The council will appoint an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of its

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

The result of the internal audit will be considered by the council.

7 External Audit

As a smaller authority not exceeding the £25,000 gross income/expenditure limit, the council will send a certificate of exemption to the external auditor as part of the annual governance process.

8 Annual Review

Each year the council will carry out an annual review of the effectiveness of the system of internal control. The review will also include a review of the effectiveness of the internal audit.

The results of the review will be documented as a Review of Internal Control (see Appendix) and considered by the council.



REVIEW OF INTERNAL CONTROL

Control Test	Tested	Comments
Ensuring an up-to-date Register of Assets		
Regular maintenance arrangement for physical assets		
Annual review of risk and the adequacy of Insurance cover		
Annual review of financial risk		
Awareness of Standing Orders And Financial regulations		
Adoption of Financial & Standing Orders		
Regular reporting on performance by contractors		
Annual review of contracts (where appropriate)		
Regular bank reconciliation, independently reviewed		
Regular scrutiny of financial records and proper arrangements for the approval of expenditure		
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved		
Payments supported by invoices, authorised and minuted		
Regular scrutiny of income records to ensure income is correctly received, recorded and banked		
Scrutiny to ensure precept recorded in the cashbook agrees to ESC notification		
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the		

Acaster Malbis Parish Council

Council as an employer		
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook		
Regular financial reporting to Parish Council		
Regular budget monitoring statements as reported to Parish Council		
Compliance with 2014 Regulations: Officer Decision Reports		
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £100		
Minutes properly numbered and paginated with a master copy kept in for safekeeping		
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality		
Verifying that the Council is compliant with the General Data Protection Regulations. The following are in place: 1. Audit / Impact Assessment 2. Privacy Notices 3. Procedures for dealing with Subject Access Requests 4. Procedure for dealing with Data breaches 5. Data Retention & Disposal Policies		
Adoption of Codes of Conduct for Members		
Declarations of Acceptance of Office		

Date of review:

Councillor:

Considered by council: