

Internal Control for Great Livermere

Scope of Internal Control work for Great Livermere Parish Council

The Accounts & Audit (Amendment) (England) Regulations 2006 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 ie 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 it's internal control, the Parish Council has appointed a Councillor to conduct a review of the system of internal control via the following tests with a written report of any findings to be submitted to the Council and minuted as received.

Proper book-keeping	Receipts and payments books or computer records, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts
Financial regulations	Standing Orders and Financial Standing Orders Tenders Appropriate payment controls including acting within the legal framework with reference to council minutes Identifying VAT payments and reclamation Cheque books, paying in books and other relevant documents
Risk Assessment	Appropriate procedures in place for the activities of the council
Budgetary controls	Verifying the budgetary process with reference to council minutes and supporting documents
Income controls	Precept and other income (where applicable)
Payroll controls	PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment
Asset control	Inspection of asset register and checks on existence of assets Cross checking on insurance cover and deeds (where applicable)
Bank Reconciliation	Regularly completed and cash books reconcile with bank statements
Year-end procedures	Appropriate accounting procedures are used and can be followed through from working papers to final documents Verifying sample payments and income Checking creditors and debtors where appropriate.

Approved by Full Council on at a meeting on: 1st March 2016

Signed by RFO/Clerk: *Victoria S Waples*

Review due: March 2017