



NEWICK PARISH COUNCIL

Internal Controls

The Accounts and Audit Regulations 2015¹ state that the Council must ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk. The Council must conduct an annual review of the effectiveness of these internal controls prior to completing Section 1 (Annual Governance Statement) of the Annual Governance and Accountability Return (AGAR).

Governance and Accountability for Smaller Authorities in England² advises that in order to be able to give a positive response to the assertion 2 of the Annual Governance Statement – *We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness* – the Council should have the following processes in place:-

Process		Reported/ Reviewed	Comments
Standing Orders & Financial Regulations	Both documents in place and reviewed annually	29 th May 2018	Copies issued to all Councillors and available on website
Safe and efficient Arrangements to safeguard public money	Appointment of Responsible Financial Officer (RFO) Budget set annually and agreed by Council according to District Council timetable for submission of precept request Procedures to accurately & promptly record all financial transactions All receipts including cash paid in to Council's bank account Receipts and payments reported monthly to Parish Council	16 th October 2012 28 th November 2017	RFO attends regular finance training Budget approval recorded in minutes RBS Alpha database updated monthly Financial Regulations Recorded in paying-in book Transactions recorded in minutes

¹ Accounts and Audit Regulations 2015 Part 2 Regulation 3

² Governance and Accountability for Smaller Authorities in England (March 2018, Joint Panel on Accounting Guidance)

	<p>Statement of performance against budget produced monthly and reported to Parish Council</p> <p>Bank reconciliations carried out quarterly</p> <p>Proper management of funds:- Funds held in interest bearing savings accounts and transferred on monthly basis to current account to cover payments to be made</p> <p>Level of funds in each bank account held within Financial Conduct Authority limit of £75k</p> <p>Bank signatories authorised by Parish Council</p> <p>Standing Order mandates authorised by Parish Council & signed by two authorised members</p> <p>All cheques signed by two authorised members of the Parish Council</p> <p>Electronic payments set up by RFO and authorised by two bank signatories</p> <p>No debit or credit cards held</p> <p>Grants policy in place – powers used recorded when award made</p>	<p>June 2018</p>	<p>Recorded in minutes</p> <p>Checked by a councillor and reported to Council</p> <p>Transfers reported by email to PC Chairman & Chairman of F&GP</p> <p>Financial Regulations</p> <p>Recorded in minutes</p> <p>Recorded in minutes</p> <p>Financial Regulations</p> <p>Financial Regulations</p> <p>Recorded in minutes</p> <p>Grant awards approved by Council and recorded in minutes</p>
<p>Employment</p>	<p>Contract of employment and Job Description for Clerk & RFO</p> <p>Rates of pay as per National scheme, reviewed annually</p> <p>Tax and National Insurance calculated using HMRC Basic Tools software – automatically updated</p> <p>Duty to provide workplace pension scheme fulfilled</p>	<p>Reviewed 26th April 2016</p>	<p>Recorded in minutes. Salary calculations checked quarterly</p> <p>Tax & National Insurance paid monthly</p> <p>Council is member of Local Government Pension Scheme. Contribution calculations checked</p>

	Grievance & Disciplinary Policies Annual appraisal for Clerk/RFO	October 2017	quarterly and at year end. Incorporated in Standing Orders
VAT	Council is not VAT registered Quarterly reclaim of VAT	July 2018	Not required Recorded on risk & management control document
Fixed Assets and Equipment	Asset register kept and updated annually	April 2018	Risk & Management Controls, Reported on AGAR
Loans and long term liabilities	One Public Works Loan Board loan in place – dates from 2010		Repayments twice yearly by direct debit & reported on AGAR.
Review of Effectiveness	Authority required to review annually its system of internal control	April 2018	Review by F&GP committee – approved by Council & recorded in minutes

Reviewed and Approved 28/08/2018

Signed..... Chairman

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