Paper 7 – Internal Control Review

Thurston Parish Council

Paper: Paper 7 – Agenda Item 12g
Reason: To receive the internal control review for the 2 Quarter
Period covered: 1st April 2026 to 31st March 2027
Presented to Council: Full Council Meeting 04.11.26
Date: 27.10.26
Author: Parish Clerk as Responsible Financial Officer (RFO)

Summary

The Accounts & Audit (Amendment) (England) 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 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 i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control and 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.'

Process

As part of its internal control, the Parish Council has appointed a Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received. The tests carried out during the year should enable the Council to respond in the affirmation to Assertion 2 of the Annual Governance and Accountability Return "We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness".

Report

The report was carried out on 8 October by Councillor Bryan Rainbow with both the Clerk and Responsible Financial Officer in attendance. A copy of which can be seen at Appendix A. Council's internal controls tests have been expanded to cover the Assertions under the Annual Governance Statement on the Annual Governance and Accountability Return which link into the Annual Internal Audit Report.

Point to note:

1. *Those areas* **emboldened** *are for actioning by Council's Officers*
2. *Matters outstanding from the first quarter review*
    - *The RFO (as Office Manager) is reviewing all current contracts to ensure they comply with legislation and issue amendments where necessary*
    - *The Clerk will review the employee handbook and associated employee contracts to ensure they comply with legislation prior to 31 March 2027.*

Recommendation

Council is asked to consider and accept the report as seen at Appendix A.

Signed as approved by the Chair to the Council:……

at the meeting of: 4 November 2026

Review as carried out 8 October 2026

CONTROL TEST	TEST DONE	Link to AIAR	COMMENTS – documents checked along with commentary
Asset Register: • ensuring up-to-date Register of Assets • held in accordance with Proper Practices • Annually reviewed	Yes	H	All added to the Asset Register: Barrells Green: Apple Tree Cottage, The Bungalow; Land at Barrells Road New Green Land East of Manor Farm 01 No HP Laptop
Regular maintenance arrangements for physical assets	Yes	H	Reported by Deputy Clerk at monthly Meetings. ROSPA annual assessment of Play equipment carried out and so reported. Quarterly Inspection by Kompan.
Annual review of risk and adequacy of Insurance cover	Yes	C	Apple Tree Cottage and The Bungalow - unoccupied insurance added. Cyber Insurance renewed 1 April 2026
Annual review of Fidelity Guarantee and adequacy of cover	Yes	C	Fidelity Insurance remains £1million Premium paid 5 September 2026 for renewal October 2026
Annual review of Financial Risk	Yes	C	To be reviewed by P&R Committee February 27
Annual review of Risk Strategy	Yes	C	Investment Strategy updated P&R Meeting July 2026
Annual review of Internal Controls	Yes	C	To be reviewed by P&R Committee February 27
Awareness of Standing Orders & Financial Regulations	Yes	C	Reviewed at Annual Parish Meeting May 2026 Clerk and RFO roles separated and reflected in Financial Regulations.
Annual review of Financial & Standing Orders	Yes	C	Reviewed at Annual PC Meeting May 2026
Annual review of contracts (where appropriate)	Yes	B/J	Reviewed on an ongoing basis Ground Maintenance 2yr Contract Telephones 2yr Contract Pavilion Cleaner 1 yr contract
Regular reporting on performance by contractors	Yes	B/J	Monitored by Clerk, Deputy Clerk, RFO
Numerical orders placed in accordance with Financial Regulations	Yes	B/J	Order Book held by RFO and used for all purchases except minor items such as stationery. Orders raised by RFO as per Financial Regulations.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	B	Reported in detail at monthly Parish Council Meetings
Payments supported by invoices, authorised and minuted	Yes	B	All purchases are signed off by the RFO and Chair/ Vice Chair. Audit trail for two bank signatories for online banking.
Scrutiny of internet bank payments including authorisation procedures	Yes	B	Checked monthly: Lloyds, Redwood and Unity Trust Deposit Accounts Lloyds Bank: General and Misc. Payments Unity Trust: Salaries and investments Redwood: Investment only
Scrutiny of grants awarded by the Council and declared in cashbook	Yes	B	Discussed and approved at monthly Full Parish Council Meetings

Scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	E	Reported monthly to the PC, checked by The Chair and Vice Chair
Scrutiny of grants received by the Council and declared in cashbook	Yes	E	All up to date
Monthly bank reconciliation reporting to Parish Council	Yes	I	At every monthly Full Paish Council Meeting
Review of inter-account transfers by the RFO	Yes	I	Reviewed and all in order
Reporting of inter-bank transfers at appropriate Parish Council Meetings	Yes	I	At every monthly Full Paish Council Meeting
Bank Reconciliations periodically verified and signed off by a non-signatory Councillor	Yes	I	Signed off by the Vice-Chair
Budget setting process in accordance with Proper Practices	Yes	D	Budget reviewed and approved by Full Council January 2026 Q1 Reviewed July 2026 Q2 Reviewed October 2026
Quarterly budget monitoring statements reported to Parish Council	Yes	D	Q2 Reported at Full Council Meeting October 2026
Scrutiny to ensure precept recorded in the cashbook agrees to MSDC notification	Yes	E	Second part of Precept £115,240.50 Received 7th September 2026 Recorded in Cash Book
Monthly reconciliation of Corporate Credit Card operated by the RFO. Verification process in place	Yes	A	All signed off by the Vice Chair
Contracts of employment in place for all staff	Yes	G	RFO confirmed these are in order and Stored securely
Staff contracts annually reviewed	Yes	G	Review in progress due to changes in legislation
Annual performance review for all staff	Yes	G	Due March 2027
Records updated to reflect relevant legislation	Yes	G	On going due to changes in legislation
PAYE/NIC/Pension properly operated by the Council as an employer	Yes	G	2026 Pay Award applied September (as approved by Council). Back dated salary increases included in September pay roll.
Staff Details e.g. salary payments - held in a secure & appropriate manner	Yes	G	Held in in secure cabinet.
VAT payments identified, recorded and reclaimed in the cashbook	Yes	A	Q1 and Q2 £6,505.61 - submitted 8th October 2026
CIL reporting to Council in accordance with legislation	Yes	E/B	Monthly detailed reports reviewed at monthly Full Council Meetings
CIL reporting to District in accordance with legislation	Yes	E/B	CIL Annual Report received by MSDC in May 2026. Confirmed return all in order
CIL expenditure in accordance with legislation	Yes	E/B	All signed off with Full Council approval
Compliance with 2014 Regulations: Officers Decision Reports	Yes	L	Report as necessary at full Parish Council Meetings
Compliance with Local Transparency Code 2015: Quarterly: Items of expenditure over £500; requests for tender over £5,000; contracts awarded over £5,000. Annually: staff breakdown; contracts issued over £5,000; counter fraud work	Yes	L	Q1 and Q2 figures published on web site
Model Publication Scheme • Tailored to the parish council • Published on the website	Yes	L	Up to date and published by the Clerk amendments to be implemented prior t November P&I meeting.
Compliance with Data Protection Legislation – Council registered as a Data Controller	Yes	O	Registered with Information Commissioners Office ICO Review November 2026

Compliance with General Data Protection Regulations: • Data Audit Impact Assessment completed f new projects • Legal basis for processing data • Annual review of GDPR policies	Yes	O	New IT Policy adopted NO DAIA carried out as no new activities undertaken.
Compliance with digital and data requirements: • Email account hosted on an authority doma name • IT policies for use of authority owned equipmer	Yes	O	External Audit confirmed compliance August 2026.
Compliance with Website Accessibility Requirements: • Website Security Certificate • Digital Accessibility • Accessibility statement on website	Yes	O	Account hosted by Pear Space (ex suffolk.cloud) Updating to a government approved templates is currently being trailed. To be explored once trails are completed.
Minutes properly numbered or paginated with a master copy kept in for safekeeping	Yes	L	Minutes all reviewed and signed at following meetings by Chair of meeting.
Confidential minutes properly recorded, numbered or paginated with a master copy kept in a secure place.	Yes	LGA 1972	All confidential minutes and associated papers are filed securely in locked cabinet.
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	LGA 1972	As a specified agenda item.
Roles and Responsibilities of Councillors published on website	Yes	LGA 1972	Web site updated – Councillor Bond: removed Councillors: Howard & Warren added
Terms of Reference for Committees annually reviewed	Yes	LGA 1972	Reviewed in May 2026
Delegated Powers identified and implemented Clerk and RFO	Yes	C	Completed May 2026
Adoption of Code of Conduct for Members	Yes	Localism Act 2011	Completed May 2026
Declaration of Acceptance of Office: • Completed • Copy held	Yes	Localism Act 2011	All up to date
Register of Interests: • Completed • Uploaded onto MSDC Website	Yes	Localism Act 2011	All up to date