

POLICY AND PROCEDURE FOR THE REVIEW OF INTERNAL CONTROL FOR YEAR ENDING 31 MARCH 2027

PURPOSE:

The Accounts and Audit Regulations 2015 require smaller authorities, such as the Brympton Parish Council (referred to herein as BPC), each financial year, to conduct a review of the effectiveness of the system of internal control. This policy and procedures document defines the framework for an effective review undertaken by the BPC to satisfy the regulatory requirements.

SCOPE:

Brympton Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

1. PURPOSE & PROCEDURES

1.1. Purpose of the System of Internal Control

- 1.1.1. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

1.2. The Internal Control Environment

- 1.2.1. Council
The Council has appointed a chairman who is responsible for the smooth running of its meetings and for enforcing the law and good order. The Council reviews its objectives, budget and the level of precept required for the following year at its January meeting.
- 1.2.2. Cheques and Cash
Cheques and cash are not used.
- 1.2.3. Monthly Internet Banking Approvals (BACS)
- The monthly internet banking payments are set up for approval by the clerk.
 - Two Councillors will authorise the payments online.
 - An invoice or receipt will be presented for each payment approval at the meeting.
- 1.2.4. Quarterly Cashbook/Bank Reconciliation & Budget Summary

Brympton Parish Council

Serving our community

Clerk: Julie Ferguson

E-mail: clerk@brymptonparishcouncil.gov.uk

Tel: 01935 571008

At least quarterly, in July, October, January and April the Cashbook Summary Report will be presented for Bank Reconciliations and Budget review.

One Councillor chosen at random each meeting, is responsible for checking: -

- Cashbook and bank reconciliation against bank statement balances
- Quarterly summary reporting any overspend greater than 15% from the approved budget.

1.2.5. Financial Officer

The Council has appointed a Clerk of the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

1.2.6. Payments

- All payments are approved by Council in accordance with their adopted Financial Regulations.
- Standing Orders and Direct Debits are approved and reviewed annually.
- The clerk has sole use of a BPC Lloyds Multipay credit card with a £5000 limit. There is a delegated authority to spend upto £500 within an agreed budget (BPC FR 5.15). All receipts and invoices will be presented for approval at the next meeting.

1.2.7. Risk Assessments/Risk Management

The Council annually adopt a Risk Management Scheme where risks are considered and reviewed in respect of its activities, systems and controls.

1.2.8. Internal Audit

The Council has appointed an independent Internal Auditor, Hillside Business Services for the year 2026-2027 who reported to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The effectiveness of internal audit is reviewed annually.

1.2.9. External Audit

The Councils appointed External Auditors for 2026-2027 are PKF Littlejohn LLP.

1.2.10. Review of Effectiveness

The review of the effectiveness of the system of internal control is informed by:

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk.
- The independent Internal Auditor who reviews the Council's systems of internal control.
- Publication Requirements - The Council must publish various documents on its website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and follows best practice for the Transparency Code for Smaller Authorities.

APPENDIX A

PROCEDURE FOR CONDUCTING THE INTERNAL AUDIT

PURPOSE:

To define the role and procedures adopted by the Internal Auditor when conducting the annual internal audit of the Brympton Parish Council

SCOPE:

This document encompasses the audit plan in a simple tabular framework which enables the internal auditor to record and report findings in order to be satisfied of the Council's position prior to completion of Section 4 of the Annual Return of Brympton Parish Council.

1 RULES & GUIDELINES GOVERNING THE AUDIT PROCESS

1.1 Internal Audit Plan

1.1.1 The Internal Auditor will:

- Understand basic accounting processes.
- Understand the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of Council.
- Be aware of risk management issues.
- Understand accounting requirements of the legal framework and powers of local councils.

1.1.2 The Internal Auditor will work to the requirements contained in the suggested approach at Appendix 5 of the "Governance and Accountability in Local Councils in England and Wales – a Practitioner's Guide." The Internal Auditor's work will take into account the whole of the Parish Council's system of internal control, including risk management. Other work may be required from time to time.

1.1.3 Where fraud by an officer is suspected, the Internal Auditor will report to the Chairman of the Parish Council. Where fraud by a councillor is suspected, the Internal Auditor will report to the Clerk to Brympton Parish Council/Responsible Financial Officer.

1.1.4 The Internal Auditor will have direct access to the Clerk to the Council/Responsible Financial Officer and Chairman.

1.1.5 The Internal Auditor will report in his/her own name to Council.

1.1.6 The Internal Auditor will have no other role within the Parish Council.

1.1.7 Internal Audit will be carried out ethically, with integrity and objectivity.

1.1.8 The Clerk to the Council/Responsible Financial Officer will be consulted on the Audit Plan and on the scope of each audit.

1.1.9 The Internal Auditor's report will be considered by the Parish Council at the first opportunity.