LYMPSTONE PARISH COUNCIL 2020-2021

Review of system of internal controls

Originally APPROVED by Finance Committee 25th November 2008

1.The Accounts and Audit Regulations require the Council to review its system of internal controls at least once each year and to publish a statement of assurance with the annual accounts.

Guidance suggests that the review should cover the following:
The scope of internal audit – This includes financial regulations, financial systems, accounting systems, reporting and internal audit. This is considered to be adequate although the Financial Regulations are a generic version and are in need of updating to meet the current needs of the Parish Council.
Independence – The Internal Auditor, Penny Clapham BA (Hons) PSLCC is a Parish Clerk and RFO to Kenn Parish Council & Bampton Town Council. She is fully independent of the Council and is able to report to the Council in her own name.
Competence – The Council is aware of Penny Clapham's contract and qualifications.
Relationships – The Clerk must be consulted if the Council wishes for there to be any change in this or additional emphasis placed on any aspect of Parish Council business. Councillors are aware that they should not approach the Internal Auditor on any matter without the prior consent of the Clerk and the Parish Council.

2. The Audit process also requires the Council to review other aspects of its activities that lead up to the Internal Audit.

Review of Risk Management	All Members have a copy of the Risk Management in the Financial regulations policy. It is reviewed annually
Review of Insurances	This is carried out annually and when any changes to Council activities are proposed.
Review of Clerk's Terms and Conditions	This is on the agenda. No changes are requested.
Review of Internal Controls	These are set out below.
Receive report of Internal Auditor	The report on last years accounts was received. LPCs financial regulations have been updated, additional new policies have been added to the website. The burial ground info has been transferred electronically.
External Audit	This report was received with no other comments.

Internal controls:
In addition to the Internal Auditor the following controls apply;

Add: all income must be banked and accounted for without deduction.

1. *All payments must be approved by the Council. In an emergency or during the summer break, payments may be authorised by the Chairman and Vice-Chairman. These will be identified separately in the next Finance report to the Council.*
2. *The Clerk holds the cheque book but is not a signatory to the account.*
3. *All cheques must be signed by two Councillors.*
4. *The voucher for payment is presented at the time that the cheque is requested.*

5. *A financial summary is presented to the first Council meeting each month, including the bank reconciliation. The relevant bank statement is also available for Members to inspect at this Council meeting.*
6. *With regard to the Deposit account, all payments into this account shall be from the current account and all withdrawals will be payable to Lympstone Parish Council and paid into the current account.*
7. *The Clerk has 'read-only' internet access to the Councils bank accounts.*

The Council is RECOMMENDED to note the items as set out above