

## **BREINTON PARISH COUNCIL**

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### REVIEW OF INTERNAL CONTROLS 2026/27

Parish councils have a duty to ensure “that the financial arrangements of the body is adequate and effective and that the body has a sound system of internal control” under Regulation 4 of the Accounts and Audit Regulations.

Local councils are required, at least once a year, to conduct a review of the effectiveness of its system of internal control.

#### **Risk Management**

- The Risk Assessment is reviewed annually to ensure all financial risks are considered and managed.
- The Asset Register is reviewed and updated annually.

#### **Internal Control Systems**

- The parish council has adopted Financial Regulations, which are reviewed annually
- Any amendments to the Bank Mandate are authorised by the Parish Council.
- The Cash Book is kept electronically and updated regularly.
- Bank Reconciliations are carried out monthly
- A budget monitoring document is presented to the full council with the budget against actual expenditure and income at least twice annually.
- All payments are made either by cheque or bank transfer requiring two signatures.
- All payments and are reported at each Parish Council meeting for approval. Any payments made under the clerk’s delegated powers are reported to the council at the following meeting.
- All payments are recorded in the cash book with the cheque number for reference.
- All invoices for payment are listed and presented at the council meeting the expenditure is to be authorised for payment.
- All original invoices are available to the parish councillors signing the cheques and each invoice is initialled and dated by the councillor to confirm the amount.
- The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed.
- The RFO ensures that precept received is correct in accordance with the precept requested from the District Authority.
- The RFO ensures that the precept instalments are received when due.
- The payroll is carried out externally together with HMRC submission requirements
- All salary payments are made via bank transfer
- The Clerks salary is set as per their contract and any salary reviews are agreed by full council.
- Expenses are paid by cheque and the expense summary treated as an invoice for accounting purposes.
- The RFO maintains a full asset register

## **Internal Audit**

### Scope:

The Internal Audit covers the internal control processes identified by the Parish Council as well as matters directly related to the Annual Return.

### Independence:

The Internal Auditor has direct access to the RFO and reports in their own name to the Council. The auditor has no other role within the Council and the reporting is unbiased and objective.

### Competence:

The appointment of an internal auditor is considered at a full council meeting before the audit is carried out.

### Relationships:

The Clerk is consulted on the internal audit arrangements.

### Review of the effectiveness of the system of Internal Audit:

The Internal Auditor has access to the Parish Council's documentation of its internal control processes, financial risk assessment, health and safety risk assessments, insurance schedule, asset register, Standing Orders, Financial Regulations, Accounts and policies, as well as to previous Annual Returns and relevant information. These inform the internal audit.

The internal audit is an opportunity for discussion about new developments in the audit service, risk management and corporate governance. The internal audit is relevant for the completion of the Statement of Assurance at Section 1 of the Annual Return as well as being essential to the completion of the Annual Internal Audit Report.

The Report is reviewed by the next Parish Council meeting and any necessary actions resolved.

Reviewed at the meeting held on 18<sup>th</sup> March 2026 agenda item 26.47.e