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## Kelbrook & Sough Parish Council

### Internal Control Review 2025

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<b>Review Title:</b>	<b>Internal Control Review</b>	<b>Date:</b>	<b>07.10.2025</b>
<b>Conducted by:</b>	<b>Cllr Angela Mayers</b>		
<b>Reviewed by Council:</b>	<b>16.10.2025</b>	<b>Minute Ref:</b>	<b>2025.16.10.15</b>
<b>Review Period:</b>	<b>4 x per Year</b>		

Whilst the Parish Council has reviewed the effectiveness of the internal audit, 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 in that, the level of control and management must be appropriate to the risk involved. The council must determine the most appropriate method of internal control. Care should be taken to ensure that internal control tests are proportionate and relevant.

As part of its internal control, Kelbrook and Sough Parish Council has appointed non-signatory councillors to conduct a review of the systems of internal control using the following control criteria on a quarterly basis. This review and any findings will be submitted to the council and minuted as received.

Heidi  
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Gary  
Photos

## INTERNAL CONTROL REVIEW

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
1	<b>Council Structure and Responsibilities</b>			
	➤ A Chair is appointed at the Annual Parish Council Meeting in May	✓	Annual Parish Council Agenda & Minutes Documents, Digital & Website	
	➤ Council meets at least 4 x a year, including the Annual Parish Meeting	✓	Agenda's & Minutes Documents, Digital & Website	
	➤ Council carries out relevant risk assessments	✓	Risk Assessment & Business Continuity Policies Documents, Digital & Website	
	➤ Council appoints an Internal Auditor and reviews their findings	✓	Annual Parish Council Agenda & Minutes Documents, Digital & Website	
2	<b>Financial Regulations</b>			
	➤ Council has adopted Financial Regulations based on the model version prepared by NALC	✓	Annual Parish Council Agenda, Minutes & Policy Documents, Digital & Website	
	➤ The regulations are reviewed at least annually for continued relevance.	✓	Annual Parish Council Agenda & Minutes Policy & Archived Versions Documents, Digital & Website	
	➤ The Clerk/RFO makes any necessary amendments. Proposed amendments are subject to approval by Council	✓	Annual Parish Council Agenda & Minutes Policy version and reason for change Documents, Digital & Website	
3	<b>Accounts/Bank Reconciliation</b>			
	➤ The accounts are kept electronically and maintained using original documents/invoices which are scanned and linked to each transaction for receipts and payments along with minute references for payment approval	✓	Finance Spreadsheet with links to scanned, approved Bank Statements, Invoices, Minutes with Minute References.  Digital.	

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
➤	The accounts are reconciled to the bank statement monthly	✓	Agenda's, Minutes & Bank Reconciliation Documents, Digital & Website	
➤	Reconciled accounts are prepared in advance of each council meeting	✓	Agenda's & Minutes. True Cashbook & Abridged version. Documents, Digital & Website	
➤	The accounts and bank reconciliation is reviewed by council and approved by 2 non-signatory members at each council meeting	✓	Agenda's, Minutes, Cash Book & Bank Reconciliation Documents, Digital & Website	
➤	The bank reconciliation is reported to council and minuted	✓	Agenda's, Minutes, Cash Book & Bank Reconciliation Documents, Digital & Website	
➤	The latest financial position and movements on the council's cash balance is reported at each council meeting and can be traced back to expenditure approval in previous minutes	✓	Agenda's, Minutes, Cash Book, Invoices/Receipts, DD & Regular Payment reviews Documents, Digital & Website.	
<b>4</b>	<b>Purchase/Tender Controls</b>			
➤	The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of work	✓	Financial Regulations Document, Digital & Website	
<b>5</b>	<b>Payment Controls</b>			
➤	Council makes most of its payments electronically, has an authorised Internet Banking Administrator and uses 2 factor authentication for transactions	✓	Annual Parish Council Meeting Agenda & Minutes, Unity Trust Bank Letter, Cash Book, Invoices with proof of Bank Transaction Document, Digital & Website	
➤	Council has a direct debit and regular payment review policy. It is amended with council approval as required or at least reviewed annually	✓	Annual Parish Council Meeting Agenda & Minutes. DD & Regular Payment Review Policies. Document, Digital & Website	

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
➤	All payments are entered electronically into the accounts	✓	Cash Book Document, Digital & Website	
➤	Each invoice is matched to the transaction for verification and is certified and signed off for approval by council at the next meeting.	✓	Invoices, Cash Book, Bank Statements, Agenda's & Minutes Documents, Digital & Website	
➤	Each invoice is scanned and linked to its transaction along with a minute reference	✓	Cash Book Document, Digital & Website	
➤	All invoices paid or for payment are presented to Council in line with Cash Book entries & Bank Statements, verified by Clerk & RFO and approved by Chair and 2 non-Bank Account signatories all of which is minuted	✓	Agenda's, Minutes, Invoices, Bank Statements. Documents, Digital & Website	
➤	Should payment by cheque be required, 2 authorised signatories are required as shown on the council's bank mandate	OK to REMOVE.	Consider removing from review	NO CHEQUES USED SINCE JAN 2025
➤	The Clerk/RFO maintains control of the cheque book at all times and will only be issued and signed for payments approved in council meetings	"	Consider removing from review	NO CHEQUES USED SINCE JAN 2025
➤	If invoices are paid by cheque they are identified by the cheque number and referenced in the accounts. This cross referenced with bank statements	"	Consider removing from review	NO CHEQUES USED SINCE JAN 2025

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
6	<b>Legal Powers</b>			
7	<b>Payments made under section 137 of the LGA 1972</b>			
➤	Payments made under s137 are recorded in the accounts using a Yellow Flag	✓	Agenda's, Minutes and Cash Book Documents, Digital & Website	<i>not done, but understanding proved</i>
➤	Each year the Clerk/RFO calculates the maximum allowable amount of s137 expenditure and ensures that it is not exceeded – confirmed to the council when expenditure is considered either by reference to a specific budget for that payment or to the amount of unspent s137 money available	✓	Agenda's, Minutes & Cash Book Documents, Digital & Website	''
➤	Requests for expenditure from s137 are made clear on the meeting agenda where the payment is to be approved	✓	Agenda's Documents, Digital & Website	''
➤	s 137 expenditure is properly minuted	✓	Minutes	''
8	<b>VAT repayment claims (VAT 126)</b>			
➤	Clerk/RFO ensures compliance with VAT notice 749	✓	Government website dictates relevant requirements for making a VAT Claim	
➤	Clerk/RFO ensures that all invoices are addressed to the Parish Council	✓	Invoices, Cash Book, Correspondence and VAT Claim Documents, Digital & Website	
➤	Clerk/RFO ensures that proper VAT invoices are received where VAT is payable	✓	Invoices, Cash Book, Correspondence and VAT Claim Documents, Digital & Website	

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
➤	Clerk/RFO maintains an electronic VAT account to ensure that the correct amount of VAT is reclaimed in the year and submits a claim annually (if over £100)	✓	Electronic Bash Book, Previous VAT Claims  Documents, Digital & Website	
9	<b>Income Controls</b>			
➤	Clerk/RFO ensures that the amount of precept received is in accordance with the precept request sent to the Borough Council	✓	Precept Payment Instruction, Bank Statements & Remittance Advice  Documents & Digital	
➤	Clerk/RFO ensures that the precept instalments are received when due	✓	Bank Statements, Remittance Advice  Documents & Digital	
➤	Clerk/RFO ensures that all other receipts, where applicable, are received when due and are correctly calculated	✓	Bank Statements, Remittance Advice  Documents & Digital	
➤	Receipts are recorded electronically into the accounts when received, scanned and linked to its transaction	✓	Electronic Cash Book  Documents, Digital & Website	
10	<b>Financial Reporting</b>			
➤	Clerk/RFO prepares a Financial Report in advance of each council meeting to seek approval for bank reconciliation, payments made, to be made, invoice verification, budget analysis, current financial position and any other relevant financial information	✓	Agenda's, Minutes, Bank Statements, Invoices, Bank Reconciliation, Budget Analysis and other supporting docs.  Documents, Digital & Website	

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
11	<b>Budgetary Control</b>			
➤	The budget process takes place from October to December and is applicable to the next fiscal year and determines the level of precept required for council to meet its statutory obligations, aims and objectives	✓	Agenda's, Minutes, Budget Pack Documents, Digital & Website	We will have an improved process to determine budget 26-27
	The budget is approved by council in January for use in the next fiscal year	✓	Agenda's, Minutes, Budget Pack Documents, Digital & Website	complete budget process to be complete.
➤	The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated	✓	Precept Payment Instruction, Email Document & Digital	
12	<b>Payroll Controls</b>			
➤	As an employee, the Clerk/RFO has contracted weekly hours, and the salary is set by council and documented in the contract	✓	Contract Document & Digital	
➤	Council uses a 3 <sup>rd</sup> party for payslip generation and PAYE calculations	✓	3 <sup>rd</sup> Party Invoices, Cash Book & Bank Statements Document, Digital & Website	Tax assist
➤	The Clerk/RFO will seek approval from council for any hours worked over and above those contracted	✓	Emails, Agenda's, Minutes & Payslips Document, Digital & Website	
➤	On receipt of a payslip, an electronic payment will be set up using 2 factor authentication to ensure payment is made on the last day of each calendar month. Where this falls at the weekend, payment will be made on the previous Friday.	✓	Payslips, Bank Statements & Transaction Details Documents & Digital	

No.	CONTROL CRITERIA	REVIEWED YES or NO	AUDIT TRAIL – WHAT & WHERE	COMMENTS
➤	Clerk/RFO has an online HMRC account to ensure that all payroll returns are made. Monies due are paid by variable Direct Debit and are recorded electronically in the accounts.	✓	Online HMRC Account, DD Mandate, Cash Book & Bank Statements  Documents, Digital & Website	
➤	Clerk/RFO will act for the council regarding Pension duties	✓	NOT APPLICABLE	
13	<b>ASSET CONTROL</b>			
➤	Clerk/RFO maintains a full asset register	✓	Asset Register  Documents, Digital & Website	new AR in progress
➤	The existence and condition of assets is checked and reported to council on a 6 monthly basis by a member of the council	✓	Agenda's, Minutes, Asset Register, Purchase Orders  Documents, Digital, Website	
➤	The adequacy of Insurance for the Parish Council's assets is considered annually in advance of the Insurance renewal	✓	Agenda's, Minutes, Insurance Policy	