



## **Treverbyn Parish Council**

### **Review of the Effectiveness of the System of Internal Control**

#### **1. Introduction**

Treverbyn Parish Council (“the 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.

In accordance with:

- The Accounts and Audit Regulations
- Proper Practices as set out in the Joint Panel on Accountability and Governance (JPAG) Practitioners’ Guide
- The Local Audit and Accountability Act 2014

the Council is required to undertake an annual review of the effectiveness of its system of internal control.

This document sets out the arrangements and findings relating to that review.

#### **2. Purpose**

The purpose of the review is to:

- Assess the effectiveness of the Council’s internal control arrangements
- Ensure proper governance and financial management
- Identify any weaknesses or areas for improvement
- Support the Council’s Annual Governance Statement (AGAR)

The review forms part of the Council’s overall governance and risk management framework.

#### **3. Scope of Review**

The review considers the effectiveness of controls relating to:

- Governance arrangements
- Financial management
- Risk management
- Internal audit
- Compliance with legislation
- Data protection and information governance
- Cyber security arrangements
- Asset management
- Transparency obligations
- Policies and procedures
- Operational controls

#### **4. Responsibility for Internal Control**

The Council acknowledges that responsibility for maintaining an effective system of internal control rests with:

- The Council collectively
- The Clerk / Responsible Financial Officer (RFO)

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk.

#### **5. Internal Control Framework**

The Council maintains a framework of internal controls including:

- Standing Orders
- Financial Regulations
- Risk assessments
- Budget monitoring
- Bank reconciliations
- Internal audit arrangements
- External audit arrangements
- Asset Register
- Insurance arrangements
- Policy framework
- Data protection and GDPR procedures
- IT and cyber security arrangements
- Procurement procedures
- Payment authorisation controls

#### **6. Governance Arrangements**

The Council has established governance arrangements including:

- Properly convened Council meetings
- Recorded minutes and resolutions

- Councillor declarations of interest
- Adoption and review of policies
- Public transparency arrangements
- Compliance with statutory procedures

The Council reviews governance documents periodically to ensure ongoing compliance and effectiveness.

## **7. Financial Management and Controls**

The Council maintains financial controls designed to ensure:

- Proper accounting records are maintained
- Expenditure is authorised appropriately
- Income is recorded and banked promptly
- Budgets are monitored regularly
- Bank reconciliations are completed and reviewed
- VAT is reclaimed appropriately
- Payroll obligations are met
- Public funds are safeguarded

Financial reports are presented regularly to Council meetings.

## **8. Banking and Payment Controls**

The Council maintains banking controls including:

- Approved banking arrangements
- Authorised signatories and access controls
- Review of bank reconciliations
- Payment approval procedures
- Monitoring of online banking arrangements

The Council acknowledges the importance of cyber security and secure electronic banking procedures.

## **9. Risk Management**

The Council undertakes regular risk assessments including:

- Financial risk assessment
- Asset and insurance review
- Operational risk considerations
- Information governance risks
- Cyber security risks

The Council maintains appropriate insurance cover and reviews arrangements annually.

## **10. Internal Audit**

An independent Internal Auditor is appointed annually.

The Internal Auditor reviews key systems and controls including:

- Accounting procedures
- Financial controls
- Compliance with Financial Regulations
- Governance arrangements
- Risk management
- Transparency obligations

Internal audit reports are considered by the Council and recommendations addressed where appropriate.

## **11. External Audit**

The Council complies with the Annual Governance and Accountability Return (AGAR) process and external audit requirements.

The Council considers external audit findings and recommendations where applicable.

## **12. Information Governance and Cyber Security**

The Council maintains arrangements relating to:

- Data protection compliance
- GDPR procedures
- Freedom of Information compliance
- Use of .gov.uk email accounts
- IT security and password protection
- Personal device (BYOD) controls
- Cyber awareness measures

The Council recognises the increasing importance of cyber security and information governance.

## **13. Asset Management**

The Council maintains an Asset Register and undertakes periodic review of:

- Council assets
- Insurance cover
- Maintenance responsibilities
- Security arrangements

#### **14. Staffing and Operational Controls**

The Council maintains operational controls including:

- Defined responsibilities
- Professional advice and support
- Payroll controls
- Segregation of duties where practicable
- Procedural oversight by members

The Council recognises the practical limitations of segregation of duties within smaller authorities and seeks to mitigate risks through oversight and review arrangements.

#### **15. Review Findings**

Having reviewed the effectiveness of the system of internal control, the Council considers that:

- Internal controls are generally effective and appropriate for a parish council of its size and responsibilities
- Governance and financial management arrangements are operating satisfactorily
- Policies and procedures are in place to support compliance and accountability
- Ongoing review and improvement remain necessary as part of good governance practice

Any significant issues identified during the review shall be recorded and addressed through agreed actions.

#### **16. Areas for Ongoing Review**

The Council recognises the importance of ongoing review in areas including:

- Cyber security
- Information governance
- Financial risk management
- Policy updates
- Staff and councillor training
- Reserve management
- Asset management
- Business continuity arrangements

#### **17. Annual Review**

This review of the effectiveness of the system of internal control shall be undertaken annually by the Council and considered prior to approval of the Annual Governance Statement.

## **18. Adoption**

Adopted by Treverbyn Parish Council on: