

# COLNEY HEATH PARISH COUNCIL

✉ **Postal Address:** Highfield Park Visitor Centre, Hill End Lane AL4 0RA  
 ☎ **Telephone:** (01727) 825 314  
 💻 **Website:** <https://colneyheathparishcouncil.gov.uk>  
 ✉ **E-mail:** [clerk@colneyheathparishcouncil.gov.uk](mailto:clerk@colneyheathparishcouncil.gov.uk)



## Review Effectiveness of Internal Controls

| Internal Control                         | Suggested Testing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Yes                             | No | Parish Council Comment                                                                                                                                                                                                                                                                                      |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standing Orders & Financial Regulations  | Has the Parish Council formally adopted Standing Orders and Financial Regulations?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ✓                               |    | Adopted by Council Item 10b 19 <sup>th</sup> May 2022                                                                                                                                                                                                                                                       |
| Payment Controls and Book keeping        | 1) RFO appointed since August 2016<br>2) Have items or services been competitively purchased<br>3) Is the cashbook maintained and up to date?<br>4) Is a bank reconciliation carried out regularly?<br>5) Are payments in cashbook supported by an invoice authorised in accordance with a minute resolution or delegated authority within a Scheme of Delegation?<br>6) Has VAT on payments been identified, recorded, and reclaimed?<br>7) Is S137 expenditure appropriately recorded and within statutory limits? If the Council has declared general Power of Competence, this is not a requirement. | ✓<br>✓<br>✓<br>✓<br>✓<br>✓<br>✓ |    | Cash books updated monthly<br>Bank rec run monthly<br>All payments supported by paperwork and referenced in minutes or under delegated authority<br>VAT claimed quarterly using Making Tax Digital via Rialtas<br>n/a – Council has operated under GPC since adopted 16 May 2019 minute reference: 19/20-11 |
| Receipts /Income Controls and Petty Cash | 1) Is income properly recorded and banked?<br>2) Does the precept, approved agree to the Council Tax authority's notification?                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ✓<br>✓<br>✓                     |    | All cash/cheque income is banked within 24 hours<br>Precept received and confirmed correct<br>Petty cash not used since 2016                                                                                                                                                                                |

Adopted by Full Council 19<sup>th</sup> May 2022  
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| Internal Control            | Suggested Testing                                                                                                                                                                                                                                                                                          | Yes              | No | Parish Council Comment                                                                                                                                                                                                                                |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt Collection             | Does the Council have in place a debt monitoring arrangement for the collection of sums of money owed to them for allotments and other council activities, for example room, hall, or open space hire?                                                                                                     | ✓                |    | Invoices issued are regularly chased and always promptly paid.<br><br>Council is continuing with their review of all assets, open spaces as recommended                                                                                               |
| Employment/Payroll Controls | 1) Do all employees have contracts of employment with clear terms and conditions?<br>2) Do salaries paid agree with those approved by Council?<br>3) Are other payments to employees reasonable and approved by the Council?<br>4) Have PAYE/NIC been properly and operated by the Council as an employer? | ✓<br>✓<br>✓<br>✓ |    | All staff have signed contracts of employment<br>Salaries calculated by outsourced payroll company and confirmed annually by RFO<br>All staff expenses are Council approved<br>PAYE/NIC calculated by outsourced payroll company and paid accordingly |
| Asset Controls              | 1) Does the Council maintain an asset register of all material owned or in its care?<br>2) Are the assets and investment registers up to date?<br>3) Do asset insurance valuations agree with those in the asset register?                                                                                 | ✓<br>✓<br>✓      |    | The Council has a confirmed asset register<br>The Council maintains an asset register which was reviewed April 2022<br>All asset register values agree with the current insurance schedule.                                                           |

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| Internal Control               | Suggested Testing                                                                                                                                                                                                                    | Yes                 | No | Parish Council Comment                                                                                                                                                                                                                                                                           |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Management Arrangements   | 1) Do the minutes record the council carrying out an annual corporate risk assessment?<br><br>2) Is the insurance cover appropriate and adequate, including the arrangement for Fidelity guarantee?                                  | ✓<br><br>✓          |    | The annual financial corporate risk assessment was reviewed by Council in April 2022.<br>Insurance cover runs from November annually and the fidelity guarantee remains in place.                                                                                                                |
| Bank Accounts                  | Is the bank mandate up to date and have a list of authorised signatories been approved by Council                                                                                                                                    | ✓                   |    | Mandates for Metro and Unity bank are correct and signatories were reconfirmed in April 2022                                                                                                                                                                                                     |
| Budget and Financial Statement | 1) Has the Council prepared an annual budget in support of its Precept?<br><br>2) Is actual expenditure against the budget regularly reported to the Council?<br><br>3) Are there any significant unexplained variances from budget? | ✓<br><br>✓<br><br>✓ |    | Council prepared and agreed budget in advance of Precept decision.<br><br>Budget is reviewed by the Finance Committee and quarterly budget reports are prepared. Monthly reports are held by the RFO should these be required.<br>All variances are shown on reports none which are unexplained. |
| Year End Controls              | 1) Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure) by the RFO?<br><br>2) Internal audit completed and action plan presented for review?                             | ✓<br><br>✓          |    | All accounts were closed correctly in conjunction with Rialtas accounting package<br><br>Internal audit report presented to Council 19/05/2022 – no action required                                                                                                                              |

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| Internal Control | Suggested Testing                                                                                         | Yes | No | Parish Council Comment                                                                                                                                                                                                    |
|------------------|-----------------------------------------------------------------------------------------------------------|-----|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | 3) Deadline for Annual Governance Annual Return met?                                                      | ✓   |    | Annual Governance Return to be signed at 19/05/2022 meeting and submitted by 01/07/2022 deadline                                                                                                                          |
|                  | 4) Notification of the dates for period of Public Rights advised to Council and advertised to electorate? | ✓   |    | Dates for Public Rights period will commence Monday 13 <sup>th</sup> June 2022 and end on Friday 22 <sup>nd</sup> July 2022, advertised on the website and at least one Parish noticeboard for the duration of the period |

This review of the effectiveness of internal controls (underpinned by the internal controls checklist above) was carried out by:

**Lisa Chaplin LCGI PSLCC CiLCA CPFA**  
**Clerk/RFO**  
**On behalf of Colney Heath Parish Council**  
**16<sup>th</sup> June 2021**  
**And updated 25<sup>th</sup> May 2022**

**Presented, review and approved by Council resolution 19<sup>th</sup> May 2022 minute reference: 22/23-10b**

Adopted by Full Council 19<sup>th</sup> May 2022  
For review May 2023