



# DESBOROUGH TOWN COUNCIL

## INTERNAL CONTROL PROCEDURES

All Councils must:-

- have a sound system of internal control and effective arrangements for the management of risk
- undertake an effective internal audit
- review the effectiveness of their system of internal control annually
- must prepare an Annual Governance and Accountability Return ('AGAR', formerly called the Annual Return) in accordance with 'proper practices' and have the AGAR approved at a Full Council meeting. The Annual Governance Statement must be approved **before** the Statement of Accounts is approved; the AGAR form facilitates this with Section 1 being the Annual Governance Statement and Section 2 being the Statement of Accounts. The minutes of the meeting at which these documents are approved should show clearly that the statutory order of approval has been complied with.

Councils are advised to review arrangements at least annually. The Council's internal controls have been reviewed and discussed with the current Internal Auditor. The Council's practice of nominating Councillors to conduct regular internal reviews and to sign appropriate documents accordingly should be retained.

<b>Work element</b>	<b>Interval</b>	<b>Action of Town Clerk</b>	<b>Action of Council (or named Councillor)</b>	<b>When?</b>
Appoint Councillors	Annually	To place item on agenda	To appoint councillors to conduct internal control visits / meetings	Council meeting
Cash flow	Monthly	To report income from grants, donations, etc.	To consider and amend / note income.	Council meeting
		To report on accounts to be paid.	To consider invoices and authorise payments.	Council meeting
	Periodically	To report routine accounts to be authorised on a continuous basis	To consider and authorise payments on an ongoing basis.	Council meeting
Income and expenditure accounts, and bank reconciliation	Quarterly	To present to Council a breakdown of receipts & payments, together with bank balance information including expenditure against budget.	To consider and receive the report.	Council meeting
Bank statements	Monthly	To check bank statements against receipts & payments. To present to the Council a monthly bank reconciliation.	To check monthly bank reconciliation.	Internal control visit / meeting
Petty cash	None	To ensure that no petty cash is held	To ensure that no petty cash is held	Internal control visit / meeting
VAT returns and reclaims	Annual	To make a claim to recover VAT on at least an annual basis.	To check claim has been made at least once a year.	Internal control visit
PAYE income tax, and National Insurance contributions	Quarterly	To pay appropriate PAYE Income Tax and National Insurance Contributions on a quarterly basis	To check payments have been made.	Internal control visit
	Annual	To complete Employer Annual Return by date specified.	To check annual return has been completed and sent.	Internal control visit
Asset register	Annual	To present a report to Council on assets and up-to-date values.	To consider and adopt the reports.	Council meeting

<b>Work element</b>	<b>Interval</b>	<b>Action of Town Clerk</b>	<b>Action of Council (or named Councillor)</b>	<b>When?</b>
Insurances	Annual	To present to Council a report on insurance held and required.	To consider and adopt the report.	Council meeting
End of year accounts and audit documentation	Annual	To prepare receipts & payments accounts and balance sheet, together with external audit papers for presentation to Council as soon as possible after 31 March.	To consider and adopt the accounts, and approve the audit papers.	Council meeting
Internal audit	Annual	To have an audit of the Council's accounts and procedures by an outside, competent agency.	To appoint an internal auditor, and to receive and consider the internal auditor's report.	Council meeting
Town Clerk	Annual	To have a work review and personal action plan, including training if necessary.	To be conducted by the Chairman and Vice Chairman.	Annual review
Computer files	Fortnightly (at least)	To ensure that files are regularly backed up onto a portable hard drive / cloud storage.	To be verified in work review conducted by the Chairman and Vice Chairman.	Internal control visit
Information security	As required	To ensure that all essential documents are securely held and signed minutes are archived on a regular basis.	To be verified in work review conducted by the Chairman and Vice Chairman.	Annual review
Developing legislation	As required	To inform Council of legislation impinging on the Council and/or its policies and work programmes.	To consider and act upon the reports.	Council meeting

Reviewed 21/02/2019  
Reviewed 16/05/2019