

**SUDBURY TOWN COUNCIL – February 2022 version**

**INTERNAL CONTROL REPORT**

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst Sudbury Town Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), 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 i.e. 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 and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.’

As part of its internal control, the Town Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received.

<b>CONTROL TEST</b>	<b>TEST DONE</b>	<b>COMMENTS – check documents and initial</b>
	Yes or No	
Ensuring an up to date Register of Assets	No	This work is currently underway with the aim of having the assets on the Rialtas software asset register by early September.
Regular maintenance arrangement for physical assets	No	Needs to be reviewed once the Assets have been entered on Rialtas
Annual review of risk and the adequacy of Insurance cover	Yes	Fidelity Insurance cover of a million agreed 7/6/22 at Finance Committee. General insurance renewed 01/04/23 at levels reviewed and recommended by the broker. Employers’ and Public Liability remain at £10 million each, as in previous years.
Annual review of financial risk	Yes	Risk Management Policy adopted 14/3/2022.
Awareness of Standing Orders and Financial regulations	Yes	While there is general awareness, non-financial staff members are aware that

		they should consult the Deputy FO and/or RFO for any new transaction or any financial transaction that they are unsure about. In addition, a reminder email detailing the purchase order process has been sent to all staff.
Adoption of Financial and Standing Orders	Yes	Financial Regulations updated at Finance Committee 01/11/22
Regular reporting on performance by contractors	No	We receive detailed reports from some contractors, e.g Sudbury Common Lands Charity, but not all. Needs to be reviewed
Annual review of contracts (where appropriate)	Yes	Completed by the RFO January 2023
Contracts of employment for staff	Yes	No employee since last internal control check – RFO checked 12/05/2023
Contract annually reviewed	Yes	RFO checked physical records and set up spreadsheet of current staff 12/05/23
Updating records to record changes in relevant legislation	Yes	Town Clerk attends regular HR seminars and records any changes accordingly.
PAYE/NIC properly operated by the Council as an employer	N/A	Operated by SGW on behalf of STC
Regular financial reporting to Town Council	Yes	Monthly Finance Committee – RFO checked 02/08/23
Regular budget monitoring statements as reported to Town Council	Yes	Monthly Finance Committee – RFO checked 02/08/23
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government</i> 2014, Part 4:  Officer Decision Reports	Yes	All decisions recorded via the minutes which are available online. Minutes are checked by DFO for authority prior to payment. Sample checked 02/08/2023
Compliance with Local Transparency Code Of 2015: Items of expenditure incurred over £500	Yes	Approved and recorded. Minutes are checked by DFO for authority prior to payment. Sample checked 02/08/2023
Verifying that the Council is compliant with the General Data Protection Regulation requirements; Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> </ul>	No	Needs to be reviewed

<ul style="list-style-type: none"> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>	<p>Yes</p> <p>No</p> <p>No</p> <p>No</p>	<p>Checked and confirmed on website 02/08/2023. Also in process of being reviewed prior to adoption</p> <p>Procedures for dealing with FOI requests need review, guidelines are on the website</p> <p>Needs to be reviewed</p> <p>Disposal policy is in process of being reviewed but is not yet adopted</p>
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	Checked by RFO 11/08/2023 - some pages are not initialled or signed – DTC will arrange for these to be completed when Members return from summer break. Some pages missing – with TC as P & C, so will be added when completed
Procedures in place for recording and monitoring Members’ Interests and Gifts of Hospitality	Yes	Checked by RFO 11/08/23 – members’ interests logged and no recorded Gifts of Hospitality
Adoption of Codes of Conduct for Members	Yes	Suffolk Code of Conduct adopted by Sudbury Town Council on 16 May 2023.
Declaration of Acceptance of Office	Yes	Checked by RFO 11/08/23 – all 14 Councillors’ and the Mayor’s and Deputy Mayor’s Declarations received May 2023

Date of review of system of Internal Controls..... 11/08/23 .....

Review of system of Internal Controls carried out by:

Name..... ANNE WALKER ..... Signature..... A. L. Walker .....

Report submitted to Council (date)..... 11/08/23 .....

(minute reference) .....

Next review of system of Internal Controls due.....

Additional comments by reviewer: