

Internal Control Report

May 2025

As part of the internal control process for GWPC has appointed a non-signatory Councillor to conduct a review of the system of internal controls used within the Parish Council. This was undertaken as part of an annual review with a written report on any findings submitted to GWPC. This report will be received and any recommendations minuted.

The following tests applied are set out in Document (v1.1).

GWPC Internals Control Statement for Year Ending 31 March 2025

A meeting between Mark Freeman (Parish Clerk) and Nigel Leonard (Councillor) ~~took~~ took place on 7 May 2025 to initiate the internal control review process.

Evidence Gathering and Methodology

The review included the following:

- Discussion on the current protocols and systems.
- Examination of the computer files/spreadsheets used to capture governance and financial information.
- Review of Hardcopy information and paperwork files held by the Parish Clerk.
- Sample checking of signatures to verify cross checks and approvals by authorised Councillors.
- Review of the Internal Auditors report and recommendations dated June 2024.

Control Test Categories

1. Ensuring the Asset Register is extant

- The Asset Register is in place detailing the assets held by GWPC.
- Significant Assets held by GWPC include the Village Hall, Pavilion, Community woodland
- The Asset Register is comprehensive. Current assets values are circa £550k.
- Disposals and acquisitions of assets in-year are notified to GWPC at Parish meetings.
- Physical checks on Parish assets are undertaken during the year. The street light portfolio was updated during the year and remains under review.
- Version numbers and the schedule has been updated during 2024/25.
- A committee has been established to review the future use of the Pavilion (value £60k) and the current access restrictions.

Issues to be considered:

1. **The Village Hall is held on the GWPC asset but there is no figure for insurance, which is funded by the Village Hall Management Committee. The position on the ownership of the Village Hall is under discussion and needs to be finalised.**
2. **The Asset Register is not fully up to date ~~and the disposal of assets policy needs completion~~ and is awaiting the finalisation of the position on the Village Hall and the Pavilion.**

2. Regular maintenance arrangements for physical assets

- The Village Hall is the largest asset held by GWPC. The Village Hall is maintained by contractors engaged by the VH Management Committee with large investment initiatives funded by GWPC.
- Expenditure and maintenance of physical assets is budgeted and updated to GWPC meetings throughout the year. All expenditure is approved by GWPC Councillors.

Issues to be considered:

1. **Difficulties with the Community Wardens contract identified and reported to GWPC a new contract with a different contractor is now in place. Applies especially to street furniture, AED defibs and SIDs.**

3. Annual Review of Financial Risks

- Sufficient cash balance over required precept value was maintained during 2024/25.
- Parish Clerk utilises a spreadsheet to record all transactions (circa 20 per month). Spreadsheet includes a summary of checks by authorised Councillors.
- Regular monitoring of bank statements and expenditure receipts held by Parish Clerk. This was sample checked as part of this review.
- Finance Committee check normally quarterly but there was some slippage during 2024/25.
- Overspends are identified to GWPC meetings – process used is transparent.
- Six Bank Accounts held: 2x UTB accounts for investment; 2x Lloyds, 1x Nationwide and Public sector Deposit Fund. Action to reduce holdings in current account in favour of interest accounts achieved.
- Authorised Councillors (total 4) in place during 2024/25 to authorise transactions. Any two of four can authorise transactions and invoices. Sample checked as part of this review.
- Reference numbers are allocated to each invoice.
- Further controls include presentation and approval of expenditure items at GWPC meetings.
- All worksheets are held in dropbox which can be accessed by approved Councillors.

Issues to be considered:

1. **Parish Clerk is preparing protocols and procedures to be appended to the financial regulations during the summer 2025.**

4. Awareness of Standing Orders and Financial Regulations

- Current Standing Orders and Financial Regulations are numbered sequentially upon receipt and changes approved by the finance committee and then approved at the full GWPC meeting.
- Model Standing orders and financial regulations are produced by the National Association of Local Councils (NALC).
- All Councillors are made aware of the changes to SOs and Financial regulations.

5. Adoption of Standing Orders and Financial Regulations

- A process is in place to review/update policies and all changes are reviewed by the Finance Committee (FC) prior to presentation to the full Parish Council meeting.
- Changes in year are completed and reviewed by the FC before adoption at a GWPC meeting.

6. Regular Reporting on Performance by Contractors

- During the course of the year the agreement with Community Wardens ended. This has recently been tendered and awarded to Hartley Garden Services. Monitoring will be put in place during the new financial year and agreed at a future GWPC meeting.
- Annual contract is for 2 years with a one year review.
- GWPC has the Power of Competence to enter into contracts services within the Council's authority.
- The Parish Clerk is currently the single point of contract for contractors.

7. Annual Review of Contracts

- There are currently no Contracts currently in place to review as at 2024/25. The Community Warden SLA was reviewed. The grass cutting contract ended in 2024 and was rewritten prior to tender. The new contract was awarded before the end of the financial year.

8. Regular Bank reconciliations independently Reviewed

- Bank reconciliations are provided at every monthly GWPC meeting
- An authorised Councillors have access to year books to reconcile balances. The process is transparent.

9. Regular Scrutiny of Financial Records and Proper Arrangements for the Approval of Expenditure

- The FC and the GWPC meetings review and scrutinise transactions and balances.
- Expenditure decisions are made and minuted at GWPC meetings or budget allocations agreed and recorded along with delegations of responsibility if required.
- A monthly financial report is presented at each Council meeting.

10. Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved

- GWPC acts within its powers of competence.
- Internal audit report completed in June 2024 and reviewed by Clerk and financial committee.

11. Payments supported by Invoices, Authorised and minuted

- Pre approved payments are invoiced either electronically or in hard copy.
- All expenditure is approved at GWPC meetings or a budget allocated.
- Each invoice is counter signed by two approved Councillors.
- Each invoice is recorded in the Year Book.
- Invoices are numbered and available on line for review.
- Sample check undertaken as part of this review.

12. Regular Scrutiny of Income Records to ensure income is correctly recorded and booked

- This is recorded on the Clerk's Year Book spreadsheet.
- Income presented to GWPC meetings

Issue for Consideration:

1. **Sample checking noted that not all checks were signed but this is a practical issue. Consider if this is required as GWPC meetings receive the summary of income received at each meeting.**

13. Scrutiny to ensure Precept recorded in Year book agrees to BDC Reconciliation

- Annual Precept is set and agreed in March and submitted to BDC.
- The Precept is paid in advance at the beginning of April and October each year.
- Authorised Councillors check bank accounts to confirm receipt. Year Book Spreadsheet checked as part of this process.

14. Contracts of Employment for Staff

- The Parish Clerk is the only employee. The role is permanent part time with notice requirements detailed in the contract of employment.
- A contract of employment is issued by the Council.
- The terms and conditions are in line with SALC and NALC guidelines.

15. Employment of Contract annually reviewed

- The contract is reviewed in accordance with the Council's HR policy.
- Regular monitoring and appraisal of performance is undertaken by the HR committee in June.

16. Updating Records to reflect changes in relevant legislation

- Updates are received by the Clerk to the Council electronically.
- SALC and NALC provide all the required updates.
- Version control is in place for all changes.
- GWPC meetings include relevant updates on changes to legislation.

17. PAYE/National Insurance Contributions

- Payslips for employees are sourced by SALC but payments are processed by the Clerk. This is checked by the updates to the FC.
- Payroll is recorded in the Year Book.
- Transactions are reported to GWC meetings monthly.

Issue for Consideration:

1. **The employer and employee contributions to the Clerks SIPP are below SIPP thresholds for BACS payment and need to be resolved.**

18. VAT is correctly accounted for and reclaimed in the Year Book

Expenditure incurring VAT is highlighted green in the Year Book/spreadsheet to enable an accurate reimbursement. This was checked as part of this review.

- Requests for reimbursement are made at the end of the financial year.
- Refund of VAT is made on line and reconciliation to the bank statements are made.
- Images are displayed and stored via the spreadsheet linkages.
- Annual VAT reclaim is circa £3k.

19. Regular Financial Reporting

- Extracts from current bank accounts, year book and spreadsheets are included in monthly updates to Council meetings.
- Cllr Harris, the Chair and the Clerk highlight any issues to the GWPC meeting.
- Reports and decisions are recorded in the minutes of meetings.

20. Regular Budget Monitoring statements as reported to GWPC

- Clerk presents clear financial reports to each GWPC meeting and financial committee.
- Reporting budget spend and overspends (over 15%) is presented and considered by the GWPC meetings.
- Budget allocations are also agreed at GWPC meeting.

Issue for Consideration:

1. Consideration of quarterly budget updates.

21. Minutes are correctly numbered and paginated with a master copy kept in the a locked location in the Clerk's office.

- Minutes are dated by month and day.
- Draft minutes are approved at each meeting.
- Pages are sequentially numbered.
- All copies including master copies are stored electronically on dropbox.
- Shared access to dropbox is granted by the Parish Clerk.

22. Procedures in place for recording and monitoring:

Members Gifts and Hospitality

- On appointment each Councillor is required (within 28 days) to complete and sign an electronic Register of Interests.
- Register of Interests are submitted to BDC.
- Members are required to declare any interest or dispensations at the beginning of each Council meeting.
- During this year there were no issues outside the declarations that needed notification to BDC.

Adoption of Codes of Conduct

- Upon appointment the Chair meets with the Councillor a part of the process of induction
- Electronic copies of the following documents are provided:
 - LGA Model of Councillor Code of Conduct 2020

- GWPC Standing orders
- The Good Councillor Guide
- Other information relevant to the parish

Declaration of Acceptance of Offer

Each member signs a hard copy of the Declaration upon appointment.

The document is filed in the Clerk's office located in the Village Hall.

Cllr Nigel Leonard

7 May 2025

