# Review of effectiveness of internal controls for [xx] Council 2026/27

The Accounts and Audit Regulations 2015[1] requires that, not only does a council review the effectiveness of the internal audit[2], but also ensures that it has a sound system of internal control[3]; the Internal Audit is just one part of this review.

Completion of this form will assist the council in answering the Annual Governance Statement (Section 1) of the Annual Governance and Accountability Return (AGAR) and provide a comprehensive review of whether the council's internal controls are effective. All the information needed is based on the guidance provided in Section 1 of the Smaller Authorities Proper Practices Panel (SAPPP) *Practitioners' Guide 2026/27*[4].

The majority of the evidence will require that it has been considered it at a council meeting having been on an agenda and minuted accordingly.

The form may be started at the beginning of the financial year and updated during the year.

If the evidence is not available, detail the reason.

Some of the actions will be supported by Standing Orders and Financial Regulations.

| **Assertion 1** | | **Action / Evidence** |
|---|---|---|
| **We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.**<br>i.e.: prepared its accounting statements in accordance with the Accounts and Audit Regulations 2015. | | |
| **Financial Management.** Has the council: | | |
| | Prepared and approved a budget for the financial year 2026 / 27 in a timely manner?<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Considered the precept provision following the consideration of the budget?<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Appointed a Responsible Financial Officer?<br>*Provide date and minute reference of appointment* | Date:<br>Minute reference: |
| | Ensured that the RFO has put in place effective procedures to record and keep up-to-date all financial transactions?<br>*Note reports from Councillor Responsible for Internal Financial Control* | Internal control check dates:<br>Date reported to Council: |

[1] https://www.legislation.gov.uk/uksi/2015/234/contents
[2] https://www.legislation.gov.uk/uksi/2015/234/regulation/5
[3] https://www.legislation.gov.uk/uksi/2015/234/regulation/3
[4] https://www.saaa.co.uk/wp-content/uploads/2026/03/FINAL-Practitioners-guide-2026-27-combined.pdf

| Assertion 1 | | Action / Evidence |
|---|---|---|
| | Regularly checked the bank reconciliation(s) for all bank accounts against bank statements | Minute references: |
| | Reviewed the budget at least quarterly<br>*Provide dates and minute references* | Dates:<br>Minute references: |
| | Reviewed investment portfolio[5] (if over £100k) and investment strategy<br>*Provide date and minute reference of strategy (if appropriate)* | Date:<br>Minute reference: |
| | Prepared the previous year's statement of accounts in a timely manner<br>*Note reports and ensure all is complete before 30 June* | Date presented:<br>Minute reference: |
| | Adopted a General Reserve Policy<br>*Provide date and minute reference of approval of policy* | Date:<br>Minute reference: |
| | Reviewed the level and purpose of all earmarked and general reserves<br>*Provide date and minute reference of approval of levels* | Date:<br>Minute reference: |
| | Undertaken a financial appraisal before commencement of any significant project or long-term commitment<br>*Provide date and minute reference of consideration if applicable* | Date:<br>Minute reference: |
| | Council response: | Yes / No |

[5] See particularly 1.11, 2.23, 5.29 and from 5.178 of the *2025 Practitioners' Guide* for more information

| Assertion 2 | | Action / Evidence |
|---|---|---|
| **We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.**<br>i.e.: made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. | | |
| **Internal Control.** Has the council: | | |
| | Fully reviewed and adopted Standing Orders and Financial Regulations ensuring they are modified appropriately?<br>*Provide dates and minute references of approval* | SOs Date:<br>Minute reference:<br>FRs Date:<br>Minute reference: |
| | Reviewed the system of internal control<br>*Provide date of review and policy* | Date:<br>Policy URL: |
| | Adopted a procedure on how the council makes orders for goods or services?<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Adopted a procedure for the handling of receipts, both cash and online payments.<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Adopted a payment procedure<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Reviewed the banking arrangements, bank mandates and signatories<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Adopted a debit card payment procedure including controls and limits<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Confirmed employee remuneration and considered pay rises as appropriate<br>*Provide date and minute reference of approval* | Date:<br>Minute reference: |
| | Registered with HMRC as an employer<br>*Provide employer reference* | Yes / No<br>Employer reference: |

| Assertion 2 | | Action / Evidence |
|---|---|---|
| | Ensured that submissions to HMRC are made on a monthly or quarterly basis (as agreed with HMRC) and appropriate tax and National Insurance payments are made<br>*Provide submission dates and minuted evidence of payments if applicable* | Submission date(s):<br>Payment evidence: |
| | Registered with the Pension Regulator and made a re-declaration (when appropriate)<br>*Provide date of re-declaration* | Yes / No<br>Date of redeclaration: |
| | Made appropriate arrangements for handling VAT<br>*Review cashbook and 126 VAT Reclaim / Returns* | Date 126 VAT Reclaim made:<br>Dates VAT Return completed: |
| | Considered how fixed assets and equipment are secured, maintained and managed<br>*Provide date and minute reference* | Date:<br>Minute reference: |
| | Reviewed the asset register, confirming additions, disposals and minimum recorded value<br>*Provide date and minute reference of review* | Date:<br>Minute reference:<br>Minimum value: £ |
| | Recorded any asset disposals in the minutes<br>*Provide date and minute references* | Date(s):<br>Minute reference(s): |
| | Reviewed any loans and long-term liabilities<br>*Provide evidence if applicable* | |
| | **Council response:** | **Yes / No** |

| Assertion 3 | | Action / Evidence |
|---|---|---|
| **We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this smaller authority to conduct its business on its finances.**<br>i.e.: has only done what it has the legal power to do and has complied with Proper Practices in doing so. | | |
| **Compliance with Laws.** Has the council: | | |
| | Ensured that it has acted within its powers and has not taken a decision which exceeds its powers[6]<br>Are the powers listed in council resolutions or in the payment schedule?<br>*Provide evidence of powers used* | |
| | Ensured that it has recorded all S137 payments separately and totals are within annual limits (if appropriate) | |
| | Appropriately adopted the General Power of Competence (if applicable)<br>*Provide date of adoption and minute reference* | Date:<br>Minute reference: |
| | Council response: | Yes / No |

[6] See 1.22 of the *2026/27 Practitioners' Guide* for more information

| Assertion 4 | | Action / Evidence |
|---|---|---|
| **We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.**<br>i.e.: during the year has given all persons interested the opportunity to inspect and ask questions about this authority's accounts. | | |
| **Public Rights.** Has the council: | | |
| | Ensured that the electorate of the parish / town was notified of the public rights period (30 working days including the first 10 working days of July)<br>*Provide minute reference, link to notice on website and confirm dates including date of notice* | Minute reference:<br>URL:<br>Date of publication:<br>First date:<br>Last date: |
| | Published the previous year's AGAR and Public Rights notice on the website before the inspection period commenced<br>*Provide URL* | URL: |
| | Received, reported and published the External Auditor's report and certificate<br>*Provide minute reference and URL* | Minute reference:<br>URL: |
| | Published the notice of conclusion of audit on the noticeboards and website<br>*Provide date of publication and URL* | Date:<br>URL: |
| | Council response: | Yes / No |

| Assertion 5 | | Action / Evidence |
|---|---|---|
| **We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required:**<br>i.e.: considered and documented the financial and other risks it faces and mitigations in place. | | |
| **Risk Management.** Has the council: | | |
| | Identified, assessed and recorded all the risks (including reputational, legal, IT and security) associated with actions and decisions taken during the year<br>*Provide date of review of the Risk Assessment / Strategy, minute reference and URL* | Review date:<br>Minute reference:<br>URL: |

| Assertion 5 | | Action / Evidence |
|---|---|---|
| | Addressed those risks by putting in place appropriate measures to mitigate and manage them | |
| | Reviewed the insurance in terms of provider<br>*Provide date of agreement, minute reference and name of provider* | Date agreed:<br>Minute reference:<br>Provider Name: |
| | Reviewed the insurance in terms of cover<br>Provide assurance that the assets and valuations have been reviewed<br>*Confirm that the assets on the insurance schedule are correct, the details of the Fidelity Guarantee, Public Liability and Employer's Liability insurance levels* | Assets:<br>Fidelity Guarantee: £<br>Public Liability: £<br>Employer's Liability: £ |
| | Ensured that any assets such as play areas and halls have had statutory checks such as safety inspections.<br>*Provide details and minute references* | Details:<br>Date agreed:<br>Minute reference: |
| | Council response: | Yes / No |

| Assertion 6 | | Action / Evidence |
|---|---|---|
| **We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.**<br>i.e.: arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this authority. | | |
| **Internal Audit.** Has the council: | | |
| | Provided the Internal Auditor with a Terms of Reference prior to appointment?<br>*Date and minute reference of agreement of ToR together with URL* | Date:<br>Minute reference:<br>URL: |
| | Received a Terms of Engagement from the Internal Auditor<br>*Date of receipt* | Date: |
| | Appointed an independent and competent person to undertake the review, including taking references or reviewing examples of audit work?<br>*Date and minute reference of appointment* | Date:<br>Minute reference: |

| Assertion 6 | | Action / Evidence |
|---|---|---|
| | Provided the internal auditor with all documents requested in order that they are able to complete a comprehensive review?<br>*Review internal audit report* | Date report reviewed:<br>Minute reference: |
| | Council response: | Yes / No |

| Assertion 7 | | Action / Evidence |
|---|---|---|
| **We took appropriate action on all matters raised in reports from internal and external audit.**<br>i.e.: responded to matters brought to its attention by internal and external audit. | | |
| **Internal and External Audit Reports.** Has the council: | | |
| | Considered all matters raised by both internal and external auditors and documented corrective action as appropriate.<br>This should include minuted receipt of a written Internal Auditor's report explaining their findings.<br>*Provide dates and minute references* | Date(s):<br>Minute reference(s): |
| | List findings as appropriate:<br>*Provide details* | |
| | Created an action plan from the findings (if applicable):<br>*Provide details* | |
| | Council response: | Yes / No |

| Assertion 8 | | Action / Evidence |
|---|---|---|
| **We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate, have included them in the accounting statements.**<br>i.e.: disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant. | | |
| **Significant Events.** Has the council: | | |
| | Considered the consequences, or potential consequences of any events or actions on the council's finances and whether those need to be reflected in the statement of accounts.<br>*Supporting information is available at 5.103 to 5.105 of the Practitioners' Guide* | |
| | Council response: | Yes / No |

| Assertion 9 | | Action / Evidence |
|---|---|---|
| **Trust funds including charitable. The council is a sole managing trustee and has discharged its accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.**<br>i.e.: has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts. | | |
| **Trust Funds.** Has the council: | | |
| | Understood the difference between a Custodian Trustee and a Sole Managing Trustee?<br>*If the council is not a sole managing trustee it may tick N/A* | Detail type of Trustee: |
| | If appropriate, met all its responsibilities as a Sole Managing Trustee including reporting the finances as appropriate and holding an AGM as necessary.<br>*Supporting information is available at 5.106 to 5.116 of the Practitioners' Guide* | Date of report:<br>Date of AGM: |
| | Council response: | Yes / No / Not applicable |

| Assertion 10 | | Action / Evidence |
|---|---|---|
| **We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review** | | |
| **Digital and Data Compliance.** Has the council: | | |
| | A generic email account hosted on an authority-owned domain?<br>*Provide minute reference if necessary, email address and domain name* | Email address:<br>Domain name: |
| | Complied with the legal requirements for websites under the Accessibility Regulations 2018 and WCAG 2.2AA<br>*Provide date website checked* | Date website checked: |
| | Adopted and published a website accessibility statement?<br>*Provide date of adoption, minute reference and URL to statement* | Date:<br>Minute reference:<br>URL: |
| | Adopted and published a privacy statement?<br>*Provide date of adoption, minute reference and URL to statement* | Date:<br>Minute reference:<br>URL: |
| | Registered with the Information Commissioner's Office as a data processor<br>*Provide registration reference and date of renewal* | Registration reference:<br>Date of renewal: |
| | Published documentation as specified in the Freedom of Information Act 2000 such as the ICO Publication Scheme?<br>*Provide publication scheme information including date of adoption, minute reference and URL* | Date:<br>Minute reference:<br>URL: |
| | Considered and adopted a data protection policy<br>*Provide date of adoption, minute reference and URL to policy* | Date:<br>Minute reference:<br>URL: |
| | Undertaken a data audit<br>*Provide date of audit, minute reference and URL to audit documentation* | Date:<br>Minute reference:<br>URL: |
| | Provided data protection training<br>*Provide date offered* | Date: |

| Assertion 10 | | Action / Evidence |
|---|---|---|
| | (For councils under £25,000 income and / or expenditure)<br>Published documentation as specified in the Transparency Code for Smaller Authorities[7]<br>*Provide URL to documentation* | URL: |
| | (For councils over £200,000 income and / or expenditure)<br>Published documentation as specified in the Local Government Transparency Code 2015[8]?<br>*Provide URL to documentation* | URL: |
| | (For councils between £25,000 and £200,000 income and or /expenditure)<br>Used one of the current codes as a guide for the publication of documents | URL: |
| | Adopted an IT Policy which includes personal, as well as council-owned devices<br>*Provide date of adoption, minute reference and URL to policy* | Date:<br>Minute reference:<br>URL: |
| | Council response: | Yes / No |

[7] https://www.gov.uk/government/publications/transparency-code-for-smaller-authorities
[8] https://www.gov.uk/government/publications/local-government-transparency-code-2015

**Payment Procedure**

Before the Clerk places the order, the minutes must document confirmation of the requirement to place order or indicate that the scheme of delegation is available

Clerk

- Inspects the invoice
- Checks it against the agreed minute to order
- Ensures that the invoice is correctly addressed to the council
- Confirms the budget
- Confirms the net amount, VAT element and gross amount
- Confirms the VAT registration number of supplier
- Completes invoice payment sheet
- Sets up the payment ready for online authorisation

Council

- Councillors inspect invoices against the minutes and the payment sheet
- Ensure that the details on the invoice are correct and correlate with the payment sheet
- Approve payments at a council meeting (if not under delegated authority)
- Authorises payments with the bank