Shelford Parish Council
Review of Internal Control 2026

Under **Accounts and Audit Regulations**, the Parish Council is obliged to carry out a review of the effectiveness of its **internal controls**.

The Council's system of **internal control** encompasses:

Appointment of Proper Officer and the Responsible Financial Officer (RFO)

- Clerk to the Council appointed Proper Officer.
- Finance Officer appointed Responsible Financial Officer (RFO).
- Responsibilities of Proper Officer outlined in **Standing Orders** adopted by the Council.
- Responsibilities of RFO outlined in **Financial Regulations** adopted by the Council.
- Clerk and RFO roles are carried out by the same person.

Proper Bookkeeping and Financial Reporting Arrangements

- Bi-Monthly figures are included in the Council meeting for review along with reports from the RFO.
- The Annual Governance & Accountability Return (AGAR)/Financial Statements is included, and approved at, Full Council meeting after the year end.

Financial Regulations, Standing Orders and Payment Controls

- **Standing Orders** adopted and reviewed annually; Next Review due 9th September 2026.
- **Financial Regulations** adopted and reviewed annually; Next Review due 9th September 2026.
- Delegation arrangements for staff formally approved and reviewed annually; Next review due 9th September 2026.
- Schedules outlining all payments and reimbursements are sent to Council prior to the meeting, and approved at, Full Council meetings.
- Banking arrangements reviewed annually. Next Review due 9th September 2026.

Budgetary Controls

- Monthly management accounts include phased budget comparisons based on phased budget prepared by RFO.
- RFO produces full-year projections during the second half of the financial year, for consideration by Council along with the monthly management accounts.
- Annual budget prepared by RFO approved by Full Council alongside projections for the following three years.

Income Controls

- Monthly management accounts include phased budget comparisons.

Payroll Controls

- Payroll budget, incorporating breakdown of salaries, reviewed annually when setting budget.

Shelford Parish Council
Review of Internal Control 2026

Capital Controls covering Asset Management, Investments and Borrowing

- Annual budgets approved with due regard to effect of any additional spending on Council's reserves.
- Reserves policy prepared by RFO and approved by Full Council at same time as precept/annual budget or at year end – next review 9th September 2026.
- Asset register maintained by RFO and reviewed, next review 18th November 2026 following update to building valuations.
- Insurance cover reviewed at least annually by Council; last reviewed 22nd May 2026. Next review May 2027

Bank Reconciliation

- Bank statements reconciled on production of monthly figures.

VAT

- Annual VAT returns produced by the RFO and inspected by internal auditor.

Internal Audit

The role of the internal auditor is to assist the Council in fulfilling its responsibility for the prevention and detection of fraud and corruption, errors and mistakes. It is for the Council to determine the level of **internal audit** required based on the **internal controls** in place.