



## Clerk Report Internal Controls

### Background

The Accounts and Audit Regulations 2015, regulation 5 (1)<sup>1</sup>, requires councils to review its internal control and governance systems at least annually to ensure that there is an effective and robust system in place to mitigate risk to public monies and to ensure that due process is being followed.

NMPC have financial regulations and a financial and management risk assessment that confirms that it will review the system of internal control twice yearly to ensure that sufficient processes are in place to evidence compliance with the regulations.

This framework of governance is based on the 'Practitioners Guide' <sup>2</sup>

Council last reviewed the systems in June 2020.

### Conclusion

I can confirm that the systems in place have proved effective and robust during the current Covid-19 situation. The audit was concluded with the appropriate public inspection period, without any need for amendment due to Covid-19 restrictions.

The internal auditor's report has been circulated and all recommendations made by the internal auditor for this year have been investigated with the majority having been resolved. There is one outstanding matter from the previous year relating to the possibility of under claims of VAT for the period prior to my commencement (2018/19).

### Actions

I have recently circulated the following

- Internal Controls document V3 (V2 was last adopted in June 2020)
- Review of Effectiveness of Internal Audit and Auditor V3 (V2 was last adopted in June 2020)

There are some minor amendments and council need to consider if the processes contained remain effective and will enable them to agree with the appointment of the internal auditor for next year and to affirm the assertions in the annual return at financial year end. These documents are on the agenda for adoption November 2020.

The financial regulations that further support our governance will be on the agenda in December 2020 and the financial management risk assessment will be on the agenda in January 2021 as per the policy review schedule. It is likely that these too will only have minimal amendments.

Nikki Bugden  
Nov 2020

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<sup>1</sup> <https://www.legislation.gov.uk/ukxi/2015/234/regulation/5/made>

<sup>2</sup> <https://www.nalc.gov.uk/library/publications/2897-the-practitioners-guide/file>