



## **STATEMENT OF INTERNAL CONTROL**

### **1. SCOPE OF RESPONSIBILITY**

The Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

### **2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the Clerk who is the Responsible Financial Officer but the Council members must ensure that they have an understanding of those controls and that they are operated effectively

### **3. PERSONNEL INVOLVED**

#### **3.1. THE COUNCIL**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the minutes and initials each page at the Council meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The Finance Committee meets a minimum of once annually in November to review the financial position, propose a budget & precept for the following financial year and complete the Annual Risk Assessment.

Further the Finance Committee review the:-

- System of Internal Control
- Financial Regulations
- Asset Register (unless undertaken by the Council)

The Council reviews and approves the recommendations for the budget and precept following the November Finance Committee meeting for the following financial year.

At the end of the financial year the Council complete the Annual Governance Statement and review & approve the Accounts.

The Council receives an updated quarterly expenditure report at each Council meeting together with a financial statement, bank reconciliation and details of online banking payments made in the month to date.

The Council approve a schedule of payments supported by corresponding invoices or minutes pertaining to grant awards. Council review the schedule, supporting documentation and cheques raised in settlement, ensuring the amounts agree; the signatories sign the cheques and initial the cheque stubs & invoices. Where Online payments are used a report of pending Online banking payments setup by the Clerk/RFO are similarly reviewed pending authorisation by an account signatory authorised by Council.

The Clerk / RFO is only authorised to setup pending Online payments and is not an authorised account signatory. Occasionally payments falling due between scheduled meetings may be settled in accordance with Standing Orders & Financial Regulations. Such payments are ratified at the following Council meeting.

At least quarterly a councillor, other than the Chairman or bank account signatory, verifies the bank reconciliation.



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### 3.2. CLERK / RESPONSIBLE FINANCIAL OFFICER

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are maintained.

The duties of the Clerk are laid down in a Job Description which is reviewed from time to time.

The Clerk submits all the requested information to the Internal and External Auditor by the required date.

The Clerk arranges for the public notices to be displayed.

The Clerk retains all relevant documents relating the financial year in accordance with regulated timescales (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments, accounts and supporting information).

### 3.3. INTERNAL AUDITOR

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of it's:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The scope of work and effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor. The Internal Auditor inspects the accounts at the year-end prior to submission of the Annual Return to the External Auditor.

The findings of the Internal Auditor are copied to all members of the Council and considered at the next Council meeting.

### 3.4. EXTERNAL AUDITOR

The Council's External Auditors, submit an External Auditor's Report, which is considered at the next Council meeting.

## 4. REVIEW OF EFFECTIVENESS

The Council conducts an annual review of the effectiveness of the system of internal control.

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Wetheridge Parish Council Chairman

Date: