

SILVERTON PARISH COUNCIL – STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDED 31 MARCH 2025

1. SCOPE OF RESPONSIBILITY

Silverton Parish Council is a local authority funded largely by public money and 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 manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically

The system of internal control has been in place at the Council for the year ended 31 March 2021 and up to date of approval of the annual report and accounts and accords with proper practice as set out in the Governance and Accountability for Smaller Authorities in England (2018 edition).

3. THE COUNCIL'S INTERNAL CONTROLS

a) The Council

The council has elected a chairman who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and approves a budget for each financial year which enables the Precept calculation to be completed.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The full Council meets on a monthly basis (first Monday save for August when a meeting will not be held unless agreed by full Council) and it receives the Minutes of the previous meeting(s). The Council also monitors progress by receiving relevant reports from County and District Councillors.

No expenditure may be incurred unless by way of authorised authority of the Clerk or by agreement of full Council.

The Council carries out regular reviews of its internal controls, systems and procedures.

b) Clerk to the Council/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 the management and administration of the Council's finances. The Clerk is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

c) Payments

Authorisation: all expenditure must be authorised by the Council.

Recording/reporting: all payments are currently paid electronically using on-line banking. All receipts and payments are reported to the Council. Invoices are filed on a month by month basis together with a copy of the relevant BACS form

Method: all payments may be made electronically by one of the following methods:

- BACS
- Direct Debits
- Standing Orders.
- Debit Card.
- Cheque

BACS: Two Authorisers check each BACS payment against the original relevant invoice, approving the payments.

If payment is made by cheque two signatories will initial the stub and sign the cheque.

Direct Debits: Two Authorisers check each Direct Debit Instruction and sign the Instruction Form

Debit card:

Routine expenses such as replacement ink cartridges & paper

One off expenses are to be paid by Debit Card only by exception. Each exception must be agreed in advance by the Parish Council save for any urgent Health & Safety issues which can be agreed between the Clerk and Chair/Vice Chair.

Reconciliation: a member of Council formally checks the bank reconciliation against the Council's bank account statements and certifies to that effect.

d) Contracts

Procedures as to contracts are laid down in the Council's Standing Orders and Financial Regulations. The Council oversees all contract procedures.

e) Internal audit

Agreed that Penny Clapham be the Parish Council's independent internal auditor for the financial year 2024/20245

The effectiveness of the internal audit is reviewed annually.

f) External audit

The Council has appointed external auditor PKF Littlejohn LLP until further notice. Following completion of the external audit the annual certificate of audit is provided, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

Silverton Parish Council has responsibility for conducting an annual review of the effectiveness of its system of internal controls. The review of the effectiveness of the system of internal controls is monitored and informed by:

- I. The Clerk to the Council
- II. The work of Officers within the Council reporting to the Clerk (Responsible Financial Officer)
- III. The work of the independent internal auditor
- IV. The external auditors through the Annual Return and their annual letter

Chairman

Date of approval ...12.05.2025.....