

WEST DEREHAM PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH

1. SCOPE OF RESPONSIBILITY

West Dereham 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.

The council is 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 identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The council reviews its obligations and objectives and approves budgets for the following year at its September meeting. The November meeting of the council approves the level of precept for the following financial year.

The Council has appointed a Finance Committee. The Committee meets during the financial year. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committee are circulated to all members of the Council.

The full council meets 10 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the *finance committee* and the clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Appendix 1.

Clerk to the council/responsible finance 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 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.

Payments:

All payments are reported to the council for approval. Two members of the council must sign every cheque or order for payment. The signatories should consider each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No officer of the Council can sign cheques.

Income:

All income is received and banked in the council’s name in a timely manner and reported to the council.

Risk Assessments/Risk Management:

The council reviews its risk assessment annually in June, and regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent internal auditor who reports to the council on a quarterly basis on the adequacy of it’s:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

External Audit:

The council’s external auditors, submit an annual certificate of audit which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

The council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement on Internal Control.

Chairman

RFO/Clerk

Approved and adopted by WEST DEREHAM PARISH COUNCIL

Meeting date:
Reviewed

Appendix 1:

WEST DEREHAM PARISH COUNCIL

The Accounts & Audit (England) Regulations 2015 aim to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

'The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based, i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate Method of internal control.... Care should be taken to ensure that internal control tests are proportionate and relevant, and that they are neither seen as, nor intended as, undue interference in the RFO's day-to-day management of financial affairs.'

As part of its internal control, the Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST

Ensuring an up-to-date Register of Assets

Yes / No

Regular maintenance arrangement for physical assets

Yes / No

Annual review of risk and the adequacy of Insurance cover

Yes / No

Annual review of financial risk

Yes / No

Awareness of Standing Orders and Financial regulations

Yes / No

Adoption of Financial and Standing Orders

Yes / No

Regular reporting on performance by contractors

N/A

Annual review of contracts (where appropriate)

Yes / No

Regular bank reconciliation, independently reviewed

Yes / No

Regular scrutiny of financial records and proper arrangements for the approval of expenditure

Yes / No

Recording in the minutes or appendices of the minutes, the precise powers under which expenditure is being approved

Yes / No

Payments supported by invoices, authorised and minuted

Yes / No

Regular scrutiny of income records to ensure income is correctly received, recorded and banked

Yes / No

Scrutiny to ensure the precept recorded in the cashbook agrees to the District Council notification

Yes / No

Contracts of employment for staff are reviewed annually, updating records are updated to record changes in relevant legislation

PAYE/NIC is properly operated by the Council as an employer

Yes / No

VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook

Yes / No

Regular financial reporting to the Parish Council

Yes / No

Regular budget monitoring statements as reported to the Parish Council

Yes / No

Compliance with Local Transparency Code Of 2014:

Items of expenditure incurred over £500

Yes / No

Are the following in place:

- Audit / Impact Assessment
- Privacy Notices
- Procedures for dealing with Subject Access Requests
- Procedure for dealing with Data breaches
- Data Retention & Disposal Policies

Yes / No

Adoption of Codes of Conduct for Members

Yes / No

Declaration of Acceptance of Office

Ye / No

Date of review of system of Internal Controls.....

Review of the system of Internal Controls carried out by:

Name.....Signature.....

Report submitted to Council (date).....