



ERISWELL PARISH COUNCIL

INTERNAL CONTROL STATEMENT

1. SCOPE OF RESPONSIBILITY

Eriswell 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 on-going 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 December meeting. The December meeting of the council approves the level of precept for the following financial year.

A Councillor is appointed to have responsibility for bank reconciliation checks.

The full council monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk.

The council carries out regular reviews of its internal controls, systems and procedures, see below.

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 payment 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. Where delegation permits, as per s.101(1)(a) of the Local Government Act of 1972 and the Council's Financial Regulations, a report will be provided to the next full Council.

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 regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent and competent internal auditor who reports to the council on an annual basis, ensuring the adequacy of the auditors:

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

External Audit:

The council's external auditors submit an annual certificate of audit.

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 of Internal Control.

INTERNAL CONTROLS

The Accounts & Audit (England) Regulations 2015 aims 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.

As part of its internal control system, BC& S Parish Council will appoint a 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	TESTED?	COMMENTS
Ensuring an up to date Register of Assets		
Regular maintenance arrangement for physical assets		
Annual review of risk and the adequacy of Insurance cover		
Regular bank reconciliation		
Regular scrutiny of financial records and proper arrangements for the approval of expenditure		
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved		
Payments supported by invoices, authorised (initialled) and minuted; chequebook counterfoils initialled		
Regular scrutiny of income records to ensure income is correctly received, recorded and banked		
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification		
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer		
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook		
Regular financial reporting to Parish Council		
Regular budget monitoring statements reported to Parish Council		
Compliance with 2014 Regulations: Officer Decision reports		
Compliance with Transparency Code Items of expenditure incurred over £100		
Minutes properly numbered and paginated with a master copy kept in for safekeeping		
Procedures in place for recording and monitoring Members' Interests		
Adoption of Codes of Conduct for Members		
Declarations of Acceptance of Office		
Registers of Interests completed/ checked annually		

Test completed by Councillor

Date.....

March 2020

Reviewed January 2021

Date of next review: January 2022