

Redgrave Parish Council

STATEMENT ON INTERNAL CONTROL

1. SCOPE OF RESPONSIBILITY

Redgrave 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.

Regulation 4 of the Accounts and Audit (England) Regulations 2011, imposes a duty on local councils to ensure “that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk”.

Internal controls are set up by the Parish Clerk who is the Responsible Financial Officer (RFO), but the Council members must ensure that they understand those controls and are responsible for checking that they are operated effectively.

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.

3. THE COUNCIL’S INTERNAL CONTROLS

3.1 The Council:

The council as a corporate body is responsible under statute for certain decisions which cannot be delegated; setting of the precept and approval of the annual return & governance statement.

The Council will make and keep under review Financial Regulations and may include within its Standing Orders provisions relating to contracts. The Council’s System of Internal Control is ancillary to and underpins the Financial Regulations and Standing Orders.

The Council has appointed a chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful with the advice of the Parish Clerk. Neither the Chairman nor any individual councillor may make decisions on behalf of the Council. The Chairman shall sign each page of the minutes once approved at the council meetings.

All Council decisions are made in accordance with the Standing Orders (re-adopted annually) and Financial Regulations approved by the council.

The council approves a budget for the following year by the end of December each year which also approves the level of precept for the following financial year.

The Council must appoint an independent Internal Auditor and

- confirm the scope of the internal audit;
- approve the internal audit plan setting out proposals for the internal auditor;
- confirm that this properly takes account of the corporate risk (i.e., the controls and procedures within the council which minimise the risk of the council not being able to function or carry out what it sets out to do);
- agree that the minimum tests proposed in the audit plan, together with the inspections carried out by the Internal Auditor and the Chairman of the parish council, are adequate and effective for the council's internal audit purposes;

3.2 Officers:

The council has appointed a Parish Clerk who as Proper Officer acts as the council's advisor and administrator. The Clerk is the also Council's RFO 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 / RFO are laid down in a Job Description which is reviewed from time to time by the Council.

The Clerk / RFO shall check and authorise payments prior to their presentation for signature in accordance with the approved financial procedures.

The RFO shall provide the council, at each full council meeting, with a statement of receipts and payments to date. In addition, the RFO will provide details under each main head of budgets (comparing actual expenditure to the appropriate date against that planned and as shown in the budget) at least each quarter at the same time as the bank reconciliation is submitted.

The Clerk/RFO submits all the requested information to the internal and external auditor by the required date.

The Clerk/RFO arranges for public notices to be displayed.

The Clerk/RFO retains all relevant documents relating to finances in accordance with best practice and the Council's Document Control & Records Management Policy (Annual Return, VAT Returns, PAYE/NIC information, public notices, Fixed Asset register, Risk assessments, accounts and supporting information).

Such other Officers and contracted support staff appointed to assist with the administration of the Council will report to and work under the direction and authority of the Parish Clerk.

3.3 Internal Auditor

The Council will appoint a suitably qualified and experienced Independent Internal Auditor each year who will report to the Council on areas including adequacy of its Records, Procedures, Systems, Internal Control, Regulations, Risk Management and Reviews.

The effectiveness of the internal audit shall be reviewed annually, and the council agrees the appointment of the Internal Auditor. The scope of the work of the Internal Auditor is reviewed annually, the review and the appointment are minuted.

The Internal Auditor will write a separate report to the Council detailing any findings they might have. This report is also copied to all Councillors and discussed by Full Council as an agenda item. Recommendations from the report are recorded in the Council minutes.

3.4 External Audit:

The Council's External Auditors are appointed in accordance with the current statutory accounting and audit framework. The Councils' External Auditors, submit an External Auditors Report which is presented to the Council. Any matters raised on the Annual Return Statement are discussed by the Council with any necessary actions duly recorded.

The council shall display public notices of the exercise of electors' rights and conclusion of audit as required by regulation.

4. FINANCIAL REGULATIONS

The Parish's Financial Regulations will be reviewed for continued relevance and amended where necessary by the Parish Council in November of each year.

5 RISK MANAGEMENT

The council's base Risk Assessment of its land, property, and activities, are to be reviewed on an annual basis by the Council.

6 REVIEWS OF EFFECTIVENESS

The Council is responsible for conducting regular reviews of the effectiveness of the system of internal control; this will be done annually in October. The findings of the annual review shall be reported to and considered by the Council.