



Althorne Parish Council Statement of Internal Control

For the year ending 31 March 2022

1 Scope of Responsibility

- 1.1 Althorne 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.
- 1.2 In discharging this overall responsibility, Althorne Parish 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

- 2.1 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.
- 2.2 The system of internal control will be in place at the Council for the year ended 31 March 2022 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide *Governance and Accountability in Local Councils* (2010 Edition). It will be reviewed in March 2022.

3 The Internal Control Environment

- 3.1 The Council:
 - The Council reviews its obligations and objectives and approves a budget for the following year at its December meeting. The meeting of the Council in December 2020 approved the level of precept for the following financial year.
 - The Council has an appointed Financial Responsible Officer reporting monthly to the Meeting of the Council.
 - The RFO/Clerk has delegated powers to incur expenditure on urgent health and safety matters up to £500 or £500 on other matters to be ratified at the following Council meeting. All expenditure is to be approved by full

Council. Any other expenditure to be approved as specified in the Financial Regulations approved in May/June each year.

3.2 The Council carries out regular reviews of its internal controls, systems and procedures as follows:

- a: Clerk to the Council / Responsible Financial Officer:
The Clerk also has the role of Responsible Financial Officer to the Council and acts as the Council's advisor and administrator. The Clerk/Responsible Financial Officer is responsible for administering the Council's finances. The Clerk/RFO 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/RFO also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

- b: Payments
All expenditure must be authorised by the Council or (as set out above) by the Clerk/RFO after consultation with the appropriate Chair. All items of expenditure must be recorded on an official List of Payments submitted monthly to the Council for approved payment, recording the Minute number. The list of payments is to be circulated to all Council Members three days prior to the monthly meeting

Two members of the Council must sign every cheque or order for payment. The signatories check each cheque against the relevant invoice (which has already been checked by the Clerk/RFO), sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No member of staff of the Council can make payments or sign cheques.

- c: Controls:
A full monthly bank reconciliation is carried out and the bank balances are noted on the minutes.
All receipts and payments are reported to the Council via the Minutes.
All payments received to be banked within 7 days of receipt.

- d: Contracts:
The Council has adopted a Procurement Policy which sets out the tender or quotation requirements for contracts of differing amounts. Contracts are to be reviewed annually unless on a rolling basis.

- e: Asset Register
The Clerk/RFO to update as and when necessary and to be approved annually.

- f: Risk Assessments / Risk Management
The Clerk/RFO will report on risk assessment to the Meeting as and when necessary. The Parish Council's insurance cover including the amount of Fidelity Guarantee Insurance will be reviewed at the May Meeting prior to renewal on 1 June. Please note that fundraising activities/successful funding applications should be taken into account as they may increase the amount of funds held at any given point.

- g: Internal Audit:
The Council annually appoints an independent internal auditor, who will report to the Council on the adequacy of its records, procedures, systems, internal control and risk management.
- h: External Audit
The Council's external auditors, PKF Littlejohn LLP, submit an annual Certificate of Audit, which is presented to the Council.

4 Review of Effectiveness

- 4.1 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 and the Council must also approve the Statement on Internal Control.

Signed

Paul Burgess 26-05-2021

Joanna Jeffery 26-05-2021

Parish Council Chairman

Parish Clerk/RFO