



# Walsham le Willows Parish Council

## Internal Control Statement

### 1. SCOPE OF RESPONSIBILITY

Walsham le Willows 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, 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 Budget setting meeting in November. The December meeting of the council approves the level of precept for the following financial year.

The full Parish council meets 12 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish Clerk/RFO.

The Council requests evidence against a suite of internal controls, systems, procedures and audit trail as per the attached Internal Control Report (Appendix 1) at meetings held in April, July, October and January. The report and documents are presented to full Council by the Clerk at the following meeting.

#### **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 will be made by internet banking wherever possible. The Clerk will set up a schedule of payments online for authorisation at each meeting and circulate this to all councillors before the meeting. Two signatories will check off each payment on the schedule to the invoice, initialling each invoice and signing and dating the schedule of payments.

After the Council meeting the Clerk will remind the signatories to submit the payments online. The schedule of payments is reproduced in the minutes of the meeting.

**Income**

All income is received and banked in the council's name in a timely manner and reported to the council. No cash is received.

**Risk Assessments/Risk Management:**

The council reviews its risk assessment annually in February, and 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 on the adequacy of its Records, Procedures, Systems, Internal controls, Regulations and 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.

## **INTERNAL CONTROL REPORT**

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. 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 will call for random checks from the internal control suite (Appendix 1) on a quarterly basis (March, June, September and December) with documents and written reports to be presented by the Clerk to the Parish Council at the next meeting (or as otherwise determined) and minuted.

## APPENDIX 1

#	CONTROL TEST
1	Ensuring an up-to-date Register of Assets
2	Regular maintenance arrangement for physical assets
3	Annual review of risk and the adequacy of Insurance cover
4	Annual review of financial risk
5	Adoption of Financial Regulations and Standing Orders
6	Regular financial reporting and budget monitoring and bank reconciliation, independently reviewed
7	Regular scrutiny of arrangements for the approval of expenditure Compliance with Local Transparency Code Of 2014: a) Items of expenditure incurred over £500 b) Invitations to tender for contracts over £5,000; c) Grants to Voluntary, Community and Social Enterprise Organisations; d) Details of contracts that exceed £5,000 <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf</a>
8	Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification
9	VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cash-book
10	Regular reporting on performance by contractors
11	Contracts of employment for staff <ul style="list-style-type: none"> <li>• Contract annually reviewed</li> <li>• Updating records to record changes in relevant legislation</li> <li>• PAYE/NIC properly operated by the Council as an employer</li> </ul>
12	Compliance with DCLG Guide Open & Accountable Local Government 2014, Part 4: Officer Decision Reports <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf</a>
13	Minutes properly numbered and paginated with a master copy kept in a file for safekeeping.
14	Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality
15	Adoption of Code of Conduct for Members
16	Declaration of Acceptance of Office