

ELMSETT PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024

1. SCOPE OF RESPONSIBILITY

Elmsett 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.

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

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. A non-signatory councillor considers each payment against the relevant invoice, initials the invoice and schedule of payment. 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 will review its risk assessment annually 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 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 of Internal Control.

Chairman

RFO/Clerk

Approved and adopted by Elmsett Parish Council

Meeting date: September, 2023

ELMSETT PARISH COUNCIL

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. are 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, Councillors will conduct a review of the system of internal control via the following tests on an annual basis with a record of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets		Carried out annually when insurance is due
Regular maintenance arrangement for physical assets		
Annual review of risk and the adequacy of Insurance cover		Three year policy (banded between £10,000 to £20,000) current value just over £10,000 - Fidelity Guarantee increased to £100,000
Annual review of financial risk		Chairman is not a cheque signatory, regular reconciliations held at meetings
Awareness of Standing Orders and Financial regulations		Reviewed annually
Adoption of Financial and Standing Orders		Reviewed annually
Regular reporting on performance by contractors		Grass cutting monitored by local resident and regular feedback received
Annual review of contracts (where appropriate)		Insurance – Renewed Sept 2022 (3 year) Grass cutting due 2024
Regular bank reconciliation, independently reviewed		Carried out quarterly and verified by a non-signatory councillor
Regular scrutiny of financial records and proper arrangements for the approval of expenditure		Quarterly reconciliations. All expenditure is approved as an agenda item.
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved		Detailed in schedule of invoices to be paid and subsequently minuted
Payments supported by invoices, authorised and minuted		Detailed in schedule of invoices to be paid and verified at each meeting.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked		RFO checks statements and all income is minuted
Scrutiny to ensure precept recorded in		Carried out by RFO

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		Reviewed annually Payroll services of SALC employed
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook		VAT recorded and reclaimed annually
Regular financial reporting to Parish Council		Quarterly reconciliations
Regular budget monitoring statements as reported to Parish Council		As above
Compliance with 2014 Regulations: Officer Decision Reports		Code of Conduct adopted and applied
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500		All cheques paid over £100 detailed on website
Minutes properly numbered and paginated with a master copy kept for safe-keeping		Minutes signed and filed after each meeting.
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality		All members have recorded interests and are held by BDC.
Adoption of Codes of Conduct for Members		Adoption of Code of Conduct
Declaration of Acceptance of Office		Signed at first meeting after election

Date of review of system of Internal Controls..... September, 2023.....

Review of system of Internal Controls carried out by: All Members of the Parish Council

Report submitted to Council September, 2023.....

(minute reference)...09.23.11.....

Next review of system of Internal Controls due.....September, 2024.....