

STATEMENT OF INTERNAL CONTROL

Stanton Parish Council

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2020

SCOPE OF RESPONSIBILITY

Stanton 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.

In discharging this overall responsibility, Stanton 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.

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 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.

The system of internal control will be in place at the Council for the year ended 31 March 2020 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 May 2020.

THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its November meeting. The meeting of the Council in December 2018 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 £300 or £300 on other matters to be ratified at the next 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.

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

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.

The Council has a commitment to two loan repayments per year. The Clerk checks adequate funds are held in the current account before loan repayments are taken by direct debit in March and October.

A separate record of s137 payments is kept. The Clerk calculates the maximum amount of s137 expenditure able to be made each year and ensures it is not exceeded.

Payments

All expenditure must be authorised by the Council, or (as set out above) by the Clerk/RFO after consultation with the Chair. All items of expenditure must be recorded on the minutes and submitted monthly to the Council for approved payment. The list of payments is circulated to all Council Members three clear days prior to the monthly meeting (currently listed on the agenda).

Two members of the Council must sign every cheque or order for payment by BACS. 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.

Payments under £300 can be made by BACS. Any amount in excess of that to be approved as a BACS payment and minuted.

The Clerk maintains control of the cheque book at all times. Cheques will only be issued and signed for payments approved in Council meetings. The number of the minute authorising payment and the cheque number are recorded on each invoice. Payments made by BACS will be cross referenced on each invoice.

Controls

A full monthly bank reconciliation is carried out. All receipts and payments are reported to the Council via the Minutes. All payments received to be banked within 7 days of receipt where possible. Quarterly reports are submitted to Council meetings.

The Clerk ensures that all invoices are addressed to the Parish Council.

The Clerk maintains a VAT account and ensures that the correct amount of VAT is reclaimed in the year.

All income is received and banked in the council's name in a timely manner and reported to the council.

The Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to the Borough Council.

Contracts

Contracts are awarded in accordance with the current Financial Regulations.

ASSET REGISTER

The Clerk/RFO to update as and when necessary and to be approved annually.

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 will be reviewed at the May Meeting prior to renewal on 1 June and the level of Fidelity Guarantee Insurance has been raised to the recommended level (balances + half of precept, being the maximum amount of cash at risk at any time).

Fundraising activities/successful funding applications are taken into account as they may increase the amount of funds held at any given point.

Internal Audit

The Council has appointed an Independent internal auditor, Tony Mansfield, who will report to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The Clerk is responsible for submitting to Mr Mansfield all payments and receipts records, bank statements, invoices paid, cheque and paying in books along with the Minutes at least bi-monthly.

External Audit

The Council's external auditors, PKF Littlejohn, submit an annual Certificate of Audit, which is presented to the Council.

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



(Chairman)


(Clerk and Responsible Financial Officer)

Approved and adopted by Stanton Parish Council

09 May 2019