

## **SAXTEAD PARISH COUNCIL**

### **STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2020**

#### **SCOPE OF RESPONSIBILITY**

Saxtead 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, Saxtead 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 reviewed at least annually.

#### **THE INTERNAL CONTROL ENVIRONMENT**

##### **The Council**

The Council reviews its obligations and objectives and approves a budget for the following year at its December or January meeting. The Council has an appointed Financial Responsible Officer reporting bimonthly to the Meeting of the Council.

The RFO/Clerk has delegated powers to incur expenditure on urgent matters up to £150 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 which will be approved annually.

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.

##### **Payments**

All expenditure must be authorised by the Council, or by a committee having delegated authority or by the Clerk/RFO after consultation with the appropriate Chair. All items of expenditure must be recorded on an official List of Payments submitted to the Council for approved payment, recording the Minute number.

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. No member of staff of the Council can make payments or sign cheques.

Payments made under Section 137 of the LGA 1972 are recorded separately. The Clerk calculates the maximum amount of s137 expenditure able to be made each year and ensures it is not exceeded.

### **Controls**

All receipts and payments are reported to the Council via the Minutes.  
The Clerk maintains control of the cheque book at all times.

### **Fixed 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 prior to renewal and the level of Fidelity Guarantee Insurance will be to the recommended level (balances + half of precept, being the maximum amount of cash at risk at any time).

*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.*

### **Internal Audit**

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

### **External Audit**

If the Council choose to opt for a Limited Assurance Review, this will be carried out by PKF Littlejohn who will provide an annual Certificate of Completion, which is presented to the Council and displayed on the website and village noticeboards.

### **REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting a review of the effectiveness of the system of internal control at least annually. The results of that review must be considered by the Council and the Council must also approve the statement on internal control.

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(Chairman)

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(Clerk and Responsible Financial Officer)

**Reviewed by Saxtead Parish Council**  
**8<sup>h</sup> May 2019**