

2025

Clint Cum Hamlets Parish Council Policy: Statement on Internal Control



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Adopted: 5th March 2025
Item: 2025.031 (e)

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY:

Clint Cum Hamlets Parish Council is a corporate body funded by public money and is responsible for ensuring its business is conducted in accordance with the law, and proper standards and that public money is safeguarded, 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.

1. 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 risks 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. THE INTERNAL CONTROL ENVIRONMENT:

The Council:

- Appoints a Chairman to be responsible for the smooth running of meetings.
- Reviews its obligations and objectives and approves its budget in December/January for the following year.
- Review and approve the Precept amount in December/January annually for the following year
- Meets upto 12 times per year.
- Each ordinary meeting the Council considers approving the Bank Reconciliation and the members are circulated with the monthly Bank Statements.
- The Statement on Internal Control is reviewed annually
- The Financial Risk Assessment is reviewed annually.
- Standing Orders and the Financial regulations are reviewed annually.
- Fidelity insurance is in place.

Clerk to the Council/Responsible Finance Officer:

- The clerk is appointed by the Council to act as the Council's advisor and administrator
- The Responsible Finance Officer is appointed by the council and their appointment is recorded annually at a PC Meeting.
- The Responsible Finance Officer is responsible for the day-to-day compliance with legislation and regulations that the Council is subject to and for managing risks.
- The clerk ensures that the Council's procedures, control systems and policies are adhered to.

Payroll Controls:

- The clerk has a contract of employment with clear terms and conditions
- Monthly salary and any additional hours are approved at monthly PC meetings
- For any additional hours that are approved, the clerk informs the third-party payroll provider and copies in the Chair.
- The Council uses a third-party payroll provider

Payments:

- All payments are listed on the PC agenda and minutes for the Council's approval.
- Invoices are signed by the Chairman
- Payments are approved and paid online by direct debit.
- From April 2025 payments will require a second approver for payment

Income:

- All income is received and banked in the Council's name promptly and reported to the Council at each meeting.

Risk Assessments:

- A financial risk assessment is conducted annually.
- Other risk assessments need to take place.

Internal Audit:

The Council appoints an independent internal auditor who reports to the Council every year on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management
- The Internal Report is emailed to all Parish Councillors, placed as an agenda item to discuss at a Full Council Meeting, and recorded in the minutes.
- The Internal Report is uploaded to the Parish Council's Website and placed on the noticeboard in the parish.

External Audit:

- The Council's external auditors are PKF Littlejohn.
- Their report and documents are emailed to the Parish Council, placed as an agenda item to discuss at a Full Council Meeting, and recorded on the minutes.
- The External Report is uploaded to the Parish Council's Website and noticeboard in the parish.

VAT:

- Is reclaimed annually

Petty Cash:

- No petty cash is held

Asset Register:

- Is reviewed annually and approved by the Council

Insurance:

- Is reviewed annually and approved by the Council

Code of Conduct:

- The Code of Conduct is reviewed annually.
- Each member must complete a Register of Interest Form and update it within 28 days of any changes.
- Members must consider every item on the agenda and ensure that any interest is declared.
- The declaration is minuted.

4. REVIEW OF EFFECTIVENESS

The council is responsible for conducting an annual review of the effectiveness of the internal control system. The review of the effectiveness of the internal control system is informed by the work of:

- The council
- The Clerk/RFO who has the responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor – who will make recommendations to the council
- The External Auditor