**WEST ROW PARISH COUNCIL**

**INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH**

1. **SCOPE OF RESPONSIBILITY**

West Row 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.

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 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.

1. **THE INTERNAL CONTROL ENVIRONMENT**

**The Council:**

The council reviews its obligations and objectives and approves budgets for the following year at its January meeting. The January meeting of the council approves the level of precept for the following financial year.

The full council meets eleven times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk.

The council carries out regular reviews of its internal controls, systems, and procedures. See attached Report.

**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. The signatories should consider each payment against the relevant invoice, sign the invoice, and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No officer of the Council can sign cheques. Where delegation permits, as per s.101(1)(a) of the Local Government Act of 1972 and the Council’s Financial Regulations, a report will be provided to the next full Council.

**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 reviews 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 a 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.

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Chairman RFO/Clerk

Approved and adopted by West Row Parish Council

Meeting date: 19th April 2023

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, West Row Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received.

|  |  |  |
| --- | --- | --- |
| **CONTROL TEST** | **TEST DONE** | **COMMENTS – check documents and initial** |
| cH | Yes or No |  |
| Ensuring an up-to-date Register of Assets | Yes | Solar Panel for SID added |
| Regular maintenance arrangement for  physical assets | Yes |  |
| Annual review of risk and the adequacy of Insurance cover | Yes | Carried out at renewal  March 2023 |
| Annual review of financial risk | Yes | Carried out at Budget Setting  Jan 2023 |
| Awareness of Standing Orders and  Financial regulations | Yes | June 2022 |
| Adoption of Financial and Standing Orders | Yes | June 2022 |
| Regular reporting on performance by  contractors | N/A |  |
| Annual review of contracts (where  appropriate) | Yes |  |
| Regular bank reconciliation, independently reviewed | Yes | As per Financial Policy |
| Regular scrutiny of financial records and  proper arrangements for the approval of  expenditure | Yes | As per Financial Policy |
| Recording in the minutes or appendices of the minutes the precise powers under  which expenditure is being approved | Yes |  |
| Payments supported by invoices, authorised and minuted | Yes |  |
| Regular scrutiny of income records to ensure income is correctly received, recorded and banked | Yes |  |
| Scrutiny to ensure precept recorded in  the cashbook agrees to District Council notification | Yes |  |
| 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 | Yes  Yes  Yes  Yes | Clerk  Appraisal October Annually |
| VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook | Yes |  |
| Regular financial reporting to Parish Council | Yes | Monthly |
| Regular budget monitoring statements as reported to Parish Council | Yes | Budget Comparison Document  Quarterly |
| Compliance with DCLG Guide *Open &* *Accountable Local Government* 2014, Part 4:  Officer Decision Reports | Yes |  |
| Compliance with Local Transparency Code Of 2014:  Items of expenditure incurred over £500 | Yes |  |
| Verifying that the Council is compliant with the General Data Protection Regulation requirements  Are the following in place:   * Audit / Impact Assessment * Privacy Notices * Procedures for dealing with Subject Access Requests * Procedure for dealing with Data breaches. * Data Retention & Disposal Policies | Yes  Yes  Yes  Yes  Yes  Yes | Policy adopted June 2022  Policy adopted June 2022  Policy adopted June 2022  Policy adopted June 2022  Policy adopted June 2022  Policy adopted June 2022 |
| Minutes properly numbered and  paginated with a master copy kept in for safekeeping | Yes | Clerk holds Master copies |
| Procedures in place for recording and  monitoring Members’ Interests and Gifts  of Hospitality | Yes | WSC Electoral Services |
| Adoption of Codes of Conduct for Members | Yes | June 2022 |
| Declaration of Acceptance of Office | Yes | WSC Electoral Services |

Date of review of system of Internal Controls………………………………………………………

Review of system of Internal Controls carried out by:

Name……Alan Fisher…………………………………Signature……………………….

Report submitted to Council (date)………19th April 2023…….…

(minute reference) …………………….……

Next review of system of Internal Controls due……………March 2024……………….

Additional comments by reviewer:

1. Clerk has been asked to investigate the best form of Minute numbering and paginating that can be employed to make Minute tracking easier.

2. Clerk has been asked to investigate frequency of publishing spend over £500 report.

3. Council should consider keeping master copies of the following.

Councillors Register of Interests forms.

Councillors Declaration of Acceptance of Office forms