

# PETTAUGH PARISH COUNCIL

## Statement of Internal Controls – Year Ending 31 March 2023

### 1. Scope of Responsibility

The 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 includes the management of risk.

### 2. 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. Internal Control Environment

#### **The Council:**

Has adopted, and keeps under review, Financial Regulations governing its financial administration.

Reviews its obligations and objectives and approves a budget for the following year no later than its January meeting at which approval will also be given to the level of precept for the following year.

Undertakes regular bank reconciliation checks.

Meets at least four times each municipal year, and monitors progress against its aims and objectives upon the receipt of reports from its Clerk.

Keeps under regular review its internal controls, systems and procedures.

#### **Clerk and Responsible Financial Officer:**

The Council has appointed a Clerk who acts as its advisor and administrator. A Responsible Financial Officer is appointed to take responsibility for administering the Council's finances.

**Payments:**

All accounts and other payments are reported to the Council for approval, and two members of the Council must sign every cheque or order for payment. The signatories will consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council.

In the event of payments being made by virtue of the Council's approved delegation arrangements or under its Financial Regulations a report will be provided to the next meeting of the Council.

**Income:**

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

**Risk Management:**

The Council reviews its assessment and management of risk on an annual basis and updates its processes and procedures accordingly.

**Internal Audit:**

An independent and competent internal auditor is appointed annually to report to the Council on the adequacy of its records, procedures, systems, internal controls, regulations and risk management.

**External Audit:**

Due to the low level of its business and transactions, the Council claims exemption from the need for an external audit. Alongside this, a certificate of assurance is provided by the Internal Auditor.

**4. Review of Effectiveness**

As part of its responsibility to keep under regular review the effectiveness of its internal controls, the Council will also review the effectiveness of internal audit and consider the outcome of such review. The Council will approve the Statement of Internal Control.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Clerk and Responsible Financial Officer

Approved and adopted by the Parish Council at a meeting:

Date: \_\_\_\_\_