

Model Internal Control Statement and Report to Council. This document should be tailored to meet the needs of your Council particularly where [ ] are shown.

## **GREAT BARTON PARISH COUNCIL**

### **TEMPORARY INTERNAL CONTROL STATEMENT FOR AUDIT YEAR 2023 – 2024**

#### **WHILE A LOCUM IS COVERING THE RFO ROLE**

#### **1. SCOPE OF RESPONSIBILITY**

Great Barton 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.

#### **2. 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.

#### **3. THE INTERNAL CONTROL ENVIRONMENT**

##### **The Council:**

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

The Council has appointed a Finance Committee. The Committee meet once during the financial year to put together the draft precept for the following financial year, to present to Full Council.

Councillors have responsibility for bank reconciliation checks on a rota basis.

The full council meets 11 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 Risk Assessment documentation.

##### **Clerk to the Council/Responsible Finance Officer:**

The Council has appointed a new Clerk to the Council who acts as the Council's advisor and administrator. This Clerk is not experienced in the role and therefore a temporary Locum Responsible Financial Officer has been appointed to deal with all financial matters and to help as an advisor to the new Clerk.

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

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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. The majority of payments will be made by internet banking. Two members of the council must initial every invoice/ order for payment. The signatories should consider each payment against the relevant invoice, initial the invoice and initial the 'payment of accounts' sheet. Payments are entered by the Locum Financial Officer, verified by a Councillor and verified and released by a second Councillor, usually the Chair. Verification codes are noted on the 'payment of accounts' sheet. Where payment is required by cheque, 2 signatories will sign the cheque and both will initial the bank of the cheque counterfoil. All authorised signatories are members of the Council. No officer of the Council can sign cheques or release payments . 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. The Locum Financial Officer produces a monthly report detailing all income received.

**Risk Assessments/Risk Management:**

The council reviews its risk assessment annually in May, and regularly reviews its systems and controls.

**Internal Audit:**

The council appoints an independent and competent internal auditor who reports to the council on an 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

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RFO/Clerk

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Approved and adopted by Gt Barton Parish Council)

Meeting date: 17/7/2023

## GREAT BARTON PARISH COUNCIL

### 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, the Parish Council has appointed a 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	PERSON RESPONSIBLE	TEST DONE	COMMENTS – check documents and initial
		Yes or No	
Ensuring an up to date Register of Assets	LH		
Regular maintenance arrangement for physical assets	AJ		Carried out by A Baker
Annual review of risk and the adequacy of Insurance cover	LH to organise. Councillor to con-		Minuted 22/5/23

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	firm		
Annual review of financial risk	LH		22/5/23
Awareness of Standing Orders and Financial regulations	LH to organise		22/5/23
Adoption of Financial and Standing Orders	LH to organise		22/5/23
Regular reporting on performance by contractors	AH – currently only Vertas		LH is a contractor – monthly report produced
Annual review of contracts (where appropriate)	Vertas to be reviewed for 2024		Vertas grass cutting due for 2024
Regular bank reconciliation, independently reviewed	LH		Carried out monthly
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	LH		Carried out monthly
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	LH		Every month
Payments supported by invoices, authorised and minuted	LH		All payments
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	LH		Monthly with bank reconciliations
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	LH		17/5/2022
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	LH		A Jackson has a contract  PAYE/NIC paid monthly

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VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	LH		Monthly
Regular financial reporting to Parish Council	LH		Monthly
Regular budget monitoring statements as reported to Parish Council	LH		Quarterly
Compliance with 2014 Regulations: Officer Decision Reports	LH		Monthly
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	LH		Published annually
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	AJ		From April 2023
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	AJ		AJ to monitor
Adoption of Codes of Conduct for Members	AJ		22/5/23
Declaration of Acceptance of Office	AJ		22/5/23

Date of review of system of Internal Controls...June 2023.....

Review of system of Internal Controls carried out by:

Name.....Linda Harley .....Signature.....*Linda Harley* .....

Report submitted to Council 17/7/23 (date).....

(minute reference).....

Next review of system of Internal Controls due either in February 2024 or when the Locum Clerk's contract expires

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**Additional comments by reviewer:**