

WHIMPLE PARISH COUNCIL STATEMENT ON INTERNAL CONTROLS

Scope of Responsibility

Whimple Parish Council (the Council) is responsible for ensuring 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 meeting this responsibility, the Parish Council is also required for ensuring that there is a sound system of internal control, which delivers effective financial, operational and risk management.

The Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives and to evaluate and manage those risks accordingly.

The Internal Control Environment

The Council:

- Appoints a Chairperson to be responsible for the smooth running of its meetings. The Parish Council is obliged to check that its decisions are lawful.
- Reviews its obligations and objectives and approves budgets for the following year at its December/January meeting. This meeting also approves the level of precept for the following financial year.
- Meets monthly (except for August) and monitors progress against its aims and objectives, and any projects.

The Parish Clerk and Responsible Financial Officer:

- Is appointed by the Council to act as the Council's advisor and administrator
- Is the Council's Responsible Financial Officer and is responsible for administering the Council's finances.
- Is responsible for the day-to-day compliance with laws and regulations that the Council is subject to, and for managing risks.
- Ensures that the Council's policies and procedures and control system are adhered to and reviewed on a regular basis.
- Is appointed by the Council to act as the Proper Officer

- Is appointed by the Council to act as the Data Protection Officer

Payroll Controls:

- The Parish Clerk and Responsible Financial Officer has a contract of employment with clear terms and conditions.
- Salary is paid to agree with that approved by the Council
- PAYE is being properly operated by the Council as an employer and monthly submissions are made to HMRC (covering Income Tax and National Insurance Contributions).
- Payments are reported to the Council for approval through the monthly Schedule of Payments
- Payments are made by BACs and two councillors must complete an online sign off before payment is made.

Parish Clerk and Councillor Expenses

- The Parish Clerk submits a request for reimbursement of monies owing by way of an expense claim which is signed off at the next Council meeting as part of the Schedule of Payments. All claim forms must have receipts or invoices attached to it.
- If a Councillor submits a request for reimbursement of monies owing by way of an expense claim, this is signed off at the next Council meeting as part of the Schedule of Payments. All claim forms must have receipts or invoices attached to it.

Income

- Is banked in the Council's name in a timely manner and report to the Council
- The Parish Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to EDDC. The Parish Clerk ensures that the precept instalments are received when due.

Payment controls

- All payments are reported to the Council for approval on a monthly basis, through the Schedule of Payments
- Two members of the Parish Council check the invoices/paperwork to the schedule of payments and sign them off
- Two members of the Parish Council authorise each online payment authority
- No officer of the Council can sign cheques or authorise online payments,

although the Parish Clerk and RFO has the authority to create the payment online (which must then be authorised by two councillors from the authorised signatory list)

- Wherever possible payments are made by bank transfer
- The Parish Clerk and RFO maintains control of the cheque book at all times. Cheques will only be issued and signed for payments approved in Parish Council meetings.

Cashbook and Bank Reconciliation

- The cashbook is kept via the Rialtas finance system and is updated from original documents – receipts, invoices, payments.
- The cashbook is reconciled to the bank statements on a monthly basis and approved by the Council on a monthly basis. The bank statements plus payments and receipts are circulated to all councillors monthly and signed off by two authorised signatories at each council meeting.

Online Banking and Signatories

- The Councils Banking arrangements and authorised signatories are reviewed at least annually with a report being considered at the Annual Meeting each year.
- Financial Regulations require that any two councillors signatures are required for any method of payment from the Council's accounts, i.e. BACs or cheque payments.

Budgetary Control

- The Parish Clerk will present a budget monitoring report to the Council on a monthly basis.
- The draft Budget/Precept shall be prepared for presentation to the November and/or December Council meeting and, together with any changes required, it shall be submitted to the December/January Council meeting for approval of the budget requirement and consequent precept for the next financial year.

Risk Assessments (Risk Management)

- The Council has a Risk Management Strategy which is reviewed and approved at the Annual Meeting each year.
- The Council has a Risk Assessment which is reviewed and approved at Council at least quarterly. Any new and emerging risks are added to the risk assessment.
- Assessments are carried out in respect of actions, systems and controls are regularly reviewed.

Procurement

- Financial Regulations provide a framework and set procedures for dealing with contracts of certain values.
- Financial Regulations require that for contracts of a value exceeding £25,000, tenders from at least three firms must be invited. For expenditures of £25,000 or less three quotations are required. Where the value is below £5,000 but above £500, the Parish Clerk shall use best endeavours to obtain three estimates.
- The Parish Clerk may incur expenditure on behalf of the Council which is necessary for the purposes of any repair, replacement or other work of an urgent nature, whether or not budgetary provision exists for such expenditure, up to a limit of £500. The Parish Clerk shall take a report the action to the Council at their next available meeting. Payments must be authorised as per the payment controls section listed above.

The Internal Audit

- Is carried out by an independent Internal Auditor who reports to the Council on the adequacy of its records, procedures, systems, internal controls, regulations and risk management reviews.

External Audit

- The Council is required to have an External Audit on an annual basis as it has gross income or gross expenditure being £25,000 or more.
- The Council completes the Annual Governance and Accountability Return and publishes the paperwork plus and other relevant information on the Council website by 30 June each year.
- The AGAR is submitted to the External Auditor in accordance with their deadlines and any queries are dealt with promptly and fully during the external audit process.
- The audited AGAR, external auditors report and Notice of conclusion of the audit are published on the Council website by the 30 September each year (subject to the information being available from the external auditor).

Financial Disclosure

- The Council publishes the monthly schedule of payments and Bank Reconciliation with the Council agenda on the Council website.
- The Council publishes on the website the Annual Governance and Accountability Return (AGAR) including the Annual Governance Statement, Accounting Statements and Internal Audit Statement, as well as any other paperwork required by the external auditor.

- The Council publishes a list of all payments made during the previous financial year on the Council website by the end of June each year

Standing Orders

- The Council has adopted the National Association of Local Councils (NALC) Model Standing Orders
- The Council reviews and approves the Standing Orders at the Annual Meeting each year.

Financial Regulations

- The Council has adopted the NALC Model Financial Regulations
- The Council reviews and approves the Financial Regulations at the Annual Meeting each year.

V.A.T.

- V.A.T. payments are identified, recorded and reclaimed
- V.A.T. invoices back up the reclaim paperwork

Asset Register

- The Council maintains a register of all material assets owned, or in its care.
- The Parish Clerk and Responsible Financial Officer updates the Asset Register as and when necessary.
- The Asset Register is reviewed and approved annually by the Council.

Insurance

- The Council's insurance provision is reviewed at the end of each contract period, both in relation to its schedule of cover and also its value for money.

Code of Conduct

- Each councillor must sign a declaration of acceptance of Office when becoming a councillor, which confirms they will abide by the Code of Conduct.
- Each councillor must complete a Register of Interest form within 28 days of signing the declaration of acceptance of office form, and return it to the Parish Clerk and Responsible Financial Officer.
- Each councillor must consider the items of business on each agenda and ensure that any interest is declared at the beginning of the meeting or

before the matter is discussed.

- An item of business 'declarations of interest' will be placed on every agenda.
- The Code of Conduct is reviewed and approved annually by the Council at the Annual Meeting.

Reviewing the effectiveness of the System of Internal Control

The Council is responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. This role will be incorporated within the annual work programme of the Council's Internal Auditor. The findings of the annual review shall be reported to and considered by the Council.