

# Ashfield cum Thorpe Parish Council

## Statement on Internal Control 2017/18

### **Scope of Responsibility**

Ashfield cum Thorpe 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.

Under the Finance and Audit Regulations, the Council must carry out a review of its internal controls on an annual basis. The regulations require that the Council carry out a review of their effectiveness and to consider the findings of the review.

### **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 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 being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### **Internal Control Environment**

The Council reviewed its obligations and objectives and approved a budget and set a precept for 2017/18 at its meeting on 11 January 2017. The Council comprised six Members at the start of the financial year. A further Member was co-opted to fill the vacancy for its seventh and remaining seat on 13 September 2017. Members are summoned to attend five full Council meetings during the year when progress against its aims and objectives are reviewed by receiving reports from the Parish Clerk. The Council monitors its income and expenditure against the agreed budget at each meeting and reviews a reconciliation of its bank accounts at Barclays Bank on a quarterly basis. Reviews of internal controls, systems and procedures are carried out at regular intervals.

The Parish Clerk is the Responsible Financial Officer, acts as the Council's advisor, administers the Council's finances and advises on day to day compliance with laws and regulations and the management of risk.

All payments are reported to the Council for approval. Two Members of the Council are required to sign each cheque prepared for payment. All receipts and payments have the benefit of supporting documentation which is retained by the Responsible Financial Officer. Each item of expenditure identifies the power used by Council and is supported in the relevant meeting's minutes.

Three of the Council's seven Members have been provided with cheque signing status. No officer of the Council has been provided with this status. Signatories are required to check each payment against the relevant invoice, sign the payments schedule and initial the cheque counterfoil. All income received is banked in the Council's name in a timely manner and reported. Recoverable VAT is claimed from HMRC by the Responsible Financial Officer at the end of the financial year.

The Council reviews its risk assessment on an annual basis and reviews its systems and controls at regular intervals. The Council appointed an independent internal auditor at its meeting on 13 December 2017 to report to the Council on the adequacy of its systems, records, regulations, procedures, internal control and risk management. The external auditor submits an annual certificate of audit at the end of the audit process.

### **Review of Effectiveness**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control and to approve the Statement on Internal Control.

Chair  
13 December 2017

Parish Clerk & Responsible Financial Officer  
13 December 2017