Ashfield cum Thorpe Parish Council

Statement on Internal Control 2018/19

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 2018/19 at its meeting on 13 December 2017. The Council comprises seven Members and has therefore had no need to seek the filling of any vacant seats. 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 plans to appoint an independent internal auditor at its meeting on 12 December 2018 to report to the Council on the adequacy of its systems, records, regulations, procedures, internal control and risk management in 2018/19. The Responsible Financial Officer also plans to report the Council's approved status of exemption to the external auditor at the end of the year with a minimum level of reporting required during the audit process for 2018/19.

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.

Parish Clerk & Responsible Financial Officer
12 September 2018