

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

## **NEDGING WITH NAUGHTON PARISH COUNCIL**

### **INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH \*\*\*\***

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

Nedging with Naughton 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 January meeting. The January meeting of the council approves the level of precept for the following financial year.

Councillors monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Parish Council are circulated to all members of the Council. Councillors are appointed to have responsibility for quarterly bank reconciliation checks.

The full council meets at least six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the RFO/Parish Clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

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

The Council has appointed a Clerk who serves as both advisor and administrator. The Clerk also acts as the Responsible Financial Officer and is responsible for managing the Council's finances. The Clerk advises the Council on day-to-day compliance with relevant laws and regulations, oversees risk management, and supports the Council in ensuring that its procedures, control systems, and policies are properly followed.

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**Payments:**

All payments are reported to the Council for approval. Payments made by cheque or online banking are carried out in accordance with the Council's Financial Regulations. All authorised signatories are members of the Council; no officer of the Council is permitted to sign cheques or authorise payments. Where delegated authority is used under Section 101(1)(a) of the Local Government Act 1972 and in line with the Council's Financial Regulations a report detailing those payments will be presented at the next full Council meeting.

**Income:**

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

**Risk Assessments/Risk Management:**

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

**Internal Audit:**

The council appoints an independent and competent internal auditor and approves the internal auditor's letter of engagement. The internal auditor 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 audit certificate, which is then presented to the Council. This process does not apply to smaller authorities that have declared themselves exempt.

**4. REVIEW OF EFFECTIVENESS**

The council must carry out a yearly review to check how well its internal controls are working. This should include a look at how effective the internal audit is. The results must be shared with the Council, and the Council should approve the Statement of Internal Control.

  
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Chairman

  
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RFO/Clerk

Approved and adopted by Nedging with Naughton Parish Council

Meeting date: