



## **1. SCOPE OF RESPONSIBILITY**

Wickham Market 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.

The Council has appointed a Finance Committee. The Committee meet 6 times during the financial year. Members of the Committee 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 Committee are circulated to all members of the Council. A Councillor is appointed to have responsibility for bank reconciliation checks.

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 to the Council who acts as the Council's advisor and administrator. 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 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. Two members of the council must sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council.

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.

**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

Approved and adopted by Wickham Market Parish Council)

Meeting date:

## 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 non-signatory 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	TEST DONE	<i>COMMENTS – check documents and initial</i>
	Yes or No	
Ensuring an up to date Register of Assets		<i>Reviewed and approved annually</i>
Regular maintenance arrangement for physical assets		<i>Play Equipment regularly inspected</i>
Annual review of risk and the adequacy of Insurance cover		<i>Reviewed and approved in May</i>
Annual review of financial risk		<i>Reviewed and approved in May</i>
Awareness of Standing Orders and Financial regulations		<i>Reviewed and approved in May</i>
Adoption of Financial and Standing Orders		<i>Reviewed and approved in May</i>
Regular reporting on performance by contractors		<i>Annually reviewed by Environment and Leisure committee</i>
Annual review of contracts (where appropriate)		<i>Contracts reviewed annually and re-tendered upon expiry</i>

Regular bank reconciliation, independently reviewed		<i>Provided for review at bimonthly Parish Council meetings</i>
Regular scrutiny of financial records and proper arrangements for the approval of expenditure		<i>Provided for review at bimonthly Parish Council meetings</i>
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved		<i>Wickham Market Parish Council hold the General Power of Competence. Should any expenditure fall outside this power it is recorded</i>
Payments supported by invoices, authorised and minuted		<i>Provided for review and approval at bi-monthly Parish Council meetings</i>
Regular scrutiny of income records to ensure income is correctly received, recorded and banked		<i>Provided for review at bimonthly Parish Council meetings as part of the finance report</i>
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification		<i>Revised biannually by the Finance and General Purpose committee</i>
Contracts of employment for staff		<i>Yes</i>
Contract annually reviewed		<i>Yes</i>
Updating records to record changes in relevant legislation		<i>Yes – annually</i>
PAYE/NIC properly operated by the Council as an employer		<i>Yes</i>
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cash-book		<i>Yes, VAT 126 claim made annually</i>
Regular financial reporting to Parish Council		<i>Finance report at bimonthly meetings</i>
Regular budget monitoring statements as reported to Parish Council		<i>Finance report at bimonthly meetings</i>
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government</i> 2014, Part 4:  Officer Decision Reports		<i>Yes, meeting dates are published in advance. Members of the public are welcome to attend except for confidential/exempt items. Published minutes record decisions</i>
Compliance with Local Transparency Code Of 2014:		<i>Items of expenditure over £500 published annually</i>

Items of expenditure incurred over £500		
Verifying that the Council is compliant with the General Data Protection Regulation requirements Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>		<p><i>Yes – Published on website</i></p> <p><i>Yes – Published on website</i></p> <p><i>Yes – Published on website</i></p> <p><i>Yes – Published on website</i></p>
Minutes properly numbered and paginated with a master copy kept in for safe-keeping		<i>Yes – Published on website with signed originals held by the Clerk</i>
Procedures in place for recording and monitoring Members’ Interests and Gifts of Hospitality		<i>Yes – Members interests published on ESC website and recorded in minutes where appropriate</i>
Adoption of Codes of Conduct for Members		<i>Yes - Annually</i>
Declaration of Acceptance of Office		<i>Yes – Originals held by the Clerk</i>

Date of review of system of Internal Controls.....

Review of system of Internal Controls carried out by:

Name.....Signature.....

Report submitted to Council (date).....

(minute reference) .....

Next review of system of Internal Controls due.....

Additional comments by reviewer: