

# Burstall Parish Council

## Internal Control Statement for the Year Ending 31 March 2022

### 1. SCOPE OF RESPONSIBILITY

Burstall 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 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 economically, efficiently and effectively.

### 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, if not before. The meeting of the Council approves the level of precept for the following financial year.

The Council monitors the budget progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. A councillor is appointed, on a pro rata basis, to undertake monthly bank reconciliation checks. In addition, the Responsible Financial Officer (RFO) circulates a copy of the monthly bank statements to all councillors for them to check against the monthly Financial Budget Reports.

The full Council meets at least six times a year and monitors budget progress against its aims and objectives at each meeting by receiving relevant reports from the RFO.

The Council carries out reviews of its internal controls, systems and procedures.

#### **Clerk to the Council/Responsible Finance Officer (RFO):**

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 each 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. (No officer of the Council can sign cheques or orders for payment. Where delegation permits, as per s.101(1)(a) of the Local Government Act 1972 and the Council's Financial Regulations, a report will be provided to the next full Council meeting.

Burstall Parish Council has been unable to set up an online payment authorisation system for two bank signatories with its banking provider, Lloyds Bank. To satisfactorily mitigate any risks, the Council has introduced the following measures:

- a. payments to be made will be checked in accordance with the Burstall Parish Council Financial Regulations
- b. a schedule of payments will be presented to the Council for approval in accordance with the Burstall Parish Council Financial Regulations
- c. a copy of each invoice to be paid will be approved by two bank signatories in accordance with the Burstall Parish Council Financial Regulations
- d. a schedule of payments to be made, together with a scanned copy of each invoice, will be emailed to two bank signatories
- e. the RFO must receive permission/authorisation by email from the two bank signatories before making the online bank payments; a copy of the email authorisations is to be kept/stored
- f. a screen shot of the online banking payments made will be filed with the schedule of payments and the invoices
- g. when payments have been made, the RFO shall notify the bank signatories who will then check the bank account transactions.

**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 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 its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

**External Auditor:**

As neither the receipts nor payments of the Parish Council exceed £25,000 per year, the Parish Council has declared that it meets the eligibility criteria as set out in Regulation 9(3) of the Local audit (Smaller

Authorities) Regulations 2015 and certifies itself as exempt from a limited assurance review by completing Part 2 of the Annual Governance and Accountability Return. Should a Parishioner request an external audit, the appointed external auditor shall be PKF Littlejohn.

#### **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.

Chair: *B Gasper*

Clerk/RFO: *S Frankis*

Approved and adopted by Burstall Parish Council 12 July 2021, minute no: 21/22 123