

# Internal Control Policy & Statement

At its meeting in March 2021, following advice of the Suffolk Association of Local Councils (SALC), the Parish Council adopted both:

- a) a Financial Reserves, and
- b) an Internal Control policy (**Appendix A**) (**Min. 21.03.10.6.1 refers**) which have both been subsequently reviewed and adopted at the parish council's meeting in July '23 (Min. 23.07.10.5).

Regular review of the parish council's financial management using the adopted Internal Control policy and reporting is now undertaken, to ensure that that its financial management is adequate and effective.

I have reviewed the systems in place against the Internal Control statement attached as **Appendix B** and am satisfied that the systems in place are adequate.

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

## **Wickhambrook Parish Council**

### **INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024**

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

Wickhambrook 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 Clerk reports to the Council progress against objectives and position against the adopted budget in accordance with the Council's financial regulations. A Councillor is appointed with a portfolio to review, financial systems and procedures, budgetary control, bank reconciliation checks and carry out regular reviews of financial matters. A bank reconciliation is reported to the council at least bi-monthly and is recorded in the minutes.

The full council meets seven times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the 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 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.

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**Payments:**

All payments are reported to the council for approval. Two members of the council must: •  
authorise each BACS payment made through internet banking, and/or  
• sign every cheque for payment.

For each cheque signed, 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.

The parish council, in setting up its internet banking arrangements, has followed the advice provided by Suffolk Association of Local Councils (SALC).

**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 April, 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

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## **Wickhambrook Parish Council**

### 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, Wickhambrook 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.

<b>CONTROL TEST</b>	<b>TEST DONE</b> Yes or No	<b>COMMENTS – check documents and initial</b>
Ensuring an up to date Register of Assets		
Regular maintenance arrangement for physical assets		
Annual review of risk and the adequacy of Insurance cover		
Annual review of financial risk		
Awareness of Standing Orders and Financial regulations		
Adoption of Financial and Standing Orders		
Regular reporting on performance by contractors		
Annual review of contracts (where appropriate)		

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Regular bank reconciliation, independently reviewed		
Regular scrutiny of financial records and proper arrangements for the approval of expenditure		
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved		
Payments supported by invoices, authorised and minuted		
Regular scrutiny of income records to ensure income is correctly received, recorded and banked		
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification		
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer		
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook		
Regular financial reporting to Parish Council		
Regular budget monitoring statements as reported to Parish Council		
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government 2014, Part 4:</i> Officer Decision Reports		

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Compliance with Local Transparency Code Of 2015: 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>		
Minutes properly numbered and paginated with a master copy kept in for safekeeping		
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality		
Adoption of Codes of Conduct for Members		
Declaration of Acceptance of Office		

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:

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## Wickhambrook Parish Council

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<b>CONTROL TEST</b>	<b>TEST DONE</b> Yes or No	<b>COMMENTS – check documents and initial</b>
Ensuring an up-to-date Register of Assets	Yes	<a href="#">See website</a> New items purchased from Locality Grant
Regular maintenance arrangement for physical assets	Yes	All play equipment inspected monthly by West Suffolk and actions reviewed at Estates Committee New responsibilities appointed following retirement of councillors and lay members – Agenda item 23.07.08
Annual review of risk and the adequacy of Insurance cover	Yes	Insurance – Feb '23 Min. 23.02.09.6 Risk – Jan '23 Min. 23.01.08.2
Annual review of financial risk	Yes	March '23 for April report WPC.23.04.07
Awareness of Standing Orders and Financial regulations	Yes	Reviewed and updated annually and on any notified changes from NALC – Nb – NALC currently consulting on updated Model

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Adoption of <a href="#">Financial</a> and <a href="#">Standing Orders</a>	Yes	Reviewed May '23 – Min ref 23.05.08.2.8 & 23.05.08.2.19
Regular reporting on performance by contractors	Yes	1 <sup>st</sup> walk round with grounds contractor completed 01/03/2023  Phone catch up with contractor June '23  In person walk round of Cemetery and Six Acres August '23
Annual review of contracts (where appropriate)	Yes	Grounds Contract – January '23 Min. 23.01.11 (following review of specification September '22 Min. 22.09.17) Specification reviewed by Estates Ctte EC.23.07.12 Grounds Spec approved by PC Min.23.07.16
Regular bank reconciliation, independently reviewed	Yes	Monthly
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Pre-authorised payments reported at each meeting and reviewed by view only councillors
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	Recorded in report supporting proposal for expenditure and on accounting software.
Payments supported by invoices, authorised and minuted	Yes	Yes, all pre-authorised payments reported to next meeting with copies of invoices for counter-signing.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Income reported to each meeting
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	Checked on notification from District Authority that precept paid.
Contracts of employment for staff	Yes	Note move to SALC agreed Feb'22
Contract annually reviewed	Yes	
Updating records to record changes in relevant legislation	Yes	
PAYE/NIC properly operated by the Council as an employer	Yes	



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VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	Corporate Multipay Card (Min 22.09.11.6) applied for, approved and now issued.
Regular <a href="#">financial reporting</a> to Parish Council	Yes	At each parish council meeting
Regular budget monitoring statements as reported to Parish Council	Yes	As above
Compliance with DCLG Guide Open & Accountable Local Government 2014, Part 4:	Yes	Payments over £500 now reported online Quarterly.
Officer Decision Reports		Yes: <ul style="list-style-type: none"> <li>• Min. Ref 23.06.5.3</li> <li>• Agenda item 23.09.10.5</li> </ul>
Compliance with Local Transparency Code Of 2015: Items of expenditure incurred over £500	Yes	<a href="#">See website</a>
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>	Yes Yes Yes	
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	
Adoption of Codes of Conduct for Members	Yes	<a href="#">Revised Code of Conduct Updated May '22</a>
Declaration of Acceptance of Office	Yes	

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Date of review of system of Internal Controls: 19/09/2023

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: January 2024

Additional comments by reviewer: