

# CODDENHAM PARISH COUNCIL

## INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2021

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

Coddenham 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 monitors progress against objectives, financial systems and procedures, budgetary control and undertakes regular reviews of financial matters. A Councillor is appointed, on a rota basis, to undertake monthly bank reconciliation checks however whilst meetings have been held remotely, due to Covid-19 restrictions, it has not been possible to do this. Instead the Clerk circulates a copy of the monthly bank statements to all Councillors for them to check against the monthly Financial Budget Reports, which are circulated to them.

The 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 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.

**Payments:**

All payments are reported to the Council for approval. Two bank signatories of the Council must sign the monthly schedule of payments. The signatories should consider each payment against the relevant invoice and sign the invoice. However due to Covid-19 restrictions and meetings being held remotely this has not been possible. Instead the Clerk emails copies of the monthly payment schedule and scanned copies of the invoices to Councillors. The Parish Council generally makes payments using internet banking. The Clerk sets up the payments which are then authorised by two signatories, who check the payments against the payment schedule and invoices. When paying by cheque, the signatories must 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 March, and regularly reviews its systems and controls.

**Internal Audit:**

The Council has appointed SALC as 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.

*A Fowler*

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Chairman

*S. Frankis*

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RFO/Clerk

Approved and adopted by Coddensham Parish Council

Meeting date: 18 March 2021, minute # 20/21 167