

NAYLAND WITH WISSINGTON PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2020

1. SCOPE OF RESPONSIBILITY

Nayland with Wissington Parish Council (**the 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 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 financial objectives and approves budgets for the following year at its December meeting. The December meeting of the council approves the level of precept for the following financial year.

The Council has appointed a Finance Committee. The Committee meets at least once during the financial year. Members of the Committee monitor progress against financial 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. The members of the Finance Committee are reviewed annually.

The full council meets 12 times each year and receives quarterly budget reviews and monitors progress against its financial aims and objectives. All financial decisions are made by full council at meetings held in public. Expenditure is broken down into the relevant budgetary headings on the Expenditure spreadsheets.

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

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. The Parish Council is registered as an Employer with HM Revenue & Customs and the HM Revenue & Customs Software is used by the RFO to calculate PAYE on a monthly basis. The Annual PAYE Return is completed ahead of the deadline. The Parish Council is a member of the Local Government Pension Scheme in respect of the Parish Clerk and all relevant payments are calculated in accordance with the scheme rules and the relevant Annual Return is made.

Payments:

Invoices are reviewed and recommended for payment by the RFO. The reference of the relevant Minutes where the payment was agreed is listed in the Expenditure Spread Sheets. The Invoices are collated with the Finance Report for approval at the relevant Parish Council Meeting. It is indicated on the Invoice whether the payment method is funds transfer or by Cheque. If applicable the Cheque numbers are written on the Invoice. Once approved, two members of the council review and initial the supporting documentation and if required sign the cheques (also initialing the stubs). The majority of members are signatories and signing responsibilities are rotated at each meeting to avoid the potential for alliances. The bank balances are provided once a month in the Minutes and members should check the balances accord with the previous months balance and cheque payments. The bank statements should be brought into meetings at least quarterly to allow members to check the amounts equate to those stated in the Minutes and to initial the statements confirming they have been checked. The VAT pre-payments are secured from HM Revenue & Customs annually.

Income:

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

Risk Assessments/Risk Management:

The council reviews its risk assessment annually in September/October/November ahead of budget to aid financial planning for the following year and beyond. **The Council** regularly reviews its systems and controls. The Bank Accounts and ledger balances should be reconciled at least quarterly to ensure any discrepancies are identified and addressed.

Internal Audit:

The council appoints an independent internal auditor who reports to the council 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 on Internal Control.

Chairman

RFO/Clerk

Approved and adopted by Nayland with Wissington Parish Council

Meeting date: 11th September 2019