

ICKLINGHAM PARISH COUNCIL

Internal Control Statement

1. SCOPE OF RESPONSIBILITY

Icklingham 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 November/December meeting. The November/December meeting of the council approves the level of precept for the following financial year.

The Council has appointed the Clerk as Responsible Finance Officer (RFO). The RFO puts together the draft budget for the following financial year, to present to full council.

Councillors have responsibility for bank reconciliation checks on a rota basis.

The full council meets 6 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 Risk Assessment documentation.

Clerk and Responsible Finance Officer to the Council:

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. The majority of payments will be made by internet banking. Two members of the council must initial every invoice/order for payment. The

signatories should consider each payment against the relevant invoice, initial the invoice and sign the 'payment of accounts' sheet. Payments are entered by the Responsible Financial Officer.

Where payment is required by cheque, 2 signatories will sign the cheque and both will initial the cheque stub.

All authorised signatories are members of the Council. No officer of the Council can sign cheques or release payments. 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. The RFO produces a monthly report detailing all income received.

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:

When required, 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.