



## BARHAM PARISH COUNCIL

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

#### 1. SCOPE OF RESPONSIBILITY

Barham 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 December meeting. The December meeting of the council approves the level of precept for the following financial year.

The full council meets 4 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports which will include a spend against budget 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, was appointed on 22nd June 2020 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 expenditure must be authorised in line with the council's financial regulations. A schedule payment which take place outside of a Parish Council meeting are approved for payment at the start of the year. All additional payments are reported to the council for approval. Two members of the council must sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, initial the invoice and cheque counterfoil. All authorised cheque signatories are members of the Council.

No officer of the Council can sign cheques. 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.

Bank statements and reconciliations are checked quarterly by a councillor of the finance committee. Any discrepancies would be raised immediately with the Clerk.

**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 appoints an independent and competent internal auditor who reports to the council on a 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.

**Adopted and approved by Barham Parish Council**

Meeting date: 1st March 2021

**Reviewed and approved by Barham Parish Council**

Meeting date: 15<sup>th</sup> January 2024

***Casey Wooltorton***

Vice Chairman

***Melanie Thurston***

Clerk/RFO



## BARHAM 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, the Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

| CONTROL TEST  | TEST DONE | COMMENTS – check documents and initial |
|---|-----------|--|
|   | Yes or No |  |
| Ensuring an up-to-date Register of Assets                 | Yes       | Reviewed January 2024                  |
| Regular maintenance arrangement for physical assets       | Yes       | Reviewed January 2024                  |
| Annual review of risk and the adequacy of Insurance cover | Yes       | Reviewed January 2024                  |
| Annual review of financial risk                           | Yes       | Reviewed January 2024                  |
| Awareness of Standing Orders and Financial regulations    | Yes       | Reviewed January 2024                  |

|   |     |  |
|---|-----|--|
| Regular reporting on performance by contractors   | Yes | Reviewed January 2024  |
| Annual review of contracts (where appropriate)  | Yes | Reviewed January 2024  |
| Regular bank reconciliation, independently reviewed   | Yes | This is done on a monthly basis  |
| Regular scrutiny of financial records and proper arrangements for the approval of expenditure                     | Yes | This is carried out throughout the year  |
| Recording in the minutes expenditure is being approved  | Yes | This is carried out throughout the year  |
| Payments supported by invoices, authorised and minuted  | Yes | This is carried out throughout the year  |
| Regular scrutiny of income records to ensure income is correctly received, recorded and banked                    | Yes | This is carried out throughout the year  |
| Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification                       | Yes | This is done twice a year  |
| Contracts of employment for staff   | Yes | The Clerk has an up to date contract   |
| Clerks Contract annually reviewed   | Yes | To be carried out October 2024 (annually)  |
| Updating records to record changes in relevant legislation  | Yes | As per the notifications received from NALC  |
| PAYE/NIC properly operated by the Council as an employer  | Yes | Carried out by SALC  |
| VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook                       | Yes | Clerk to reclaim VAT in January & June   |
| Regular financial reporting to Parish Council   | Yes | At every Parish Council Meeting  |
| Regular budget monitoring statements as reported to Parish Council  | Yes | Quarterly summary of statements are presented to the Parish Council along with Spend Against Budget. |
| Compliance with DCLG Guide <i>Open &amp; Accountable Local Government 2014</i> , Part 4: Officer Decision Reports | Yes | Available for the public to view via hard copy or on the website                                     |
| Compliance with Local Transparency Code Of 2014:  | Yes | Internal controls are in place and documents are made public on the Parish                           |

|  |     |                                    |
|--|-----|------------------------------------|
| Items of expenditure incurred over £100  | Yes | Council website                    |
| Minutes properly numbered, paginated with a master copy kept in for safekeeping              | Yes | This is done                       |
| Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality | Yes | This is done                       |
| Adoption of Codes of Conduct for Members   | Yes | This is done                       |
| Declaration of Acceptance of Office  | Yes | All new Councillors have completed |

Date of review of system of Internal Controls January 2024

Review of system of Internal Controls carried out by: Cllr Brenda Mitchell & Cllr Marilyn Lesley

Name Cllr Brenda Mitchell

Signature

***Brenda Mitchell***

Name Cllr Marilyn Lesley

Signature

***Marilyn Lesley***

Report submitted to Council (date) 15/01/24

(minute reference) 11. e. To Review the Internal Control Statement

Next review of system of Internal Controls due January 2025

Additional comments by reviewer: