

## CLOPTON PARISH COUNCIL

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

#### 1. SCOPE OF RESPONSIBILITY

Clopton 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 and January meetings. The November meeting of the council approves the level of precept for the following financial year.

The Council meet six times during the financial year. CPC do not have a Finance committee therefore all members of the council monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters at each meeting by receiving relevant reports from the parish clerk. The minutes of the meetings of the council are circulated to all members.

A Councillor is appointed to have responsibility for bank reconciliation checks.

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 members of the council must sign every cheque or order for payment. 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. 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.

**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 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:**

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

Approved and adopted by Clopton Parish Council

Meeting date:

## CLOPTON 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  Initialled by Cllr Lye	
Ensuring an up to date Register of Assets	Yes	Document reviewed in May meeting by council
Regular maintenance arrangement for physical assets	N/A	Not applicable as village hall assets managed by Village Hall committee
Annual review of risk and the adequacy of Insurance cover	Yes	Insurance cover reviewed in September 2019 meeting by full council this policy was for a 3 year annual renewal - Minute ref CPC08219  To be reviewed prior to the September 2023 renewal.
Annual review of financial risk	Yes	Document reviewed in May meeting by council
Awareness of Standing Orders and Financial regulations	Yes	Documents circulated to all councillors prior to May meeting.  Standing orders and Financial Regulations reviewed in May meeting by council

Adoption of Financial and Standing Orders	Yes	As above
Regular reporting on performance by contractors	N/A	N/A at this time no contractors in use
Annual review of contracts (where appropriate)	N/A	N/A at this time
Regular bank reconciliation, independently reviewed	Yes	Reviewed by internal auditor Heelis and Lodge. Annual Internal Audit report listed on website.  Current account reconciliation reviewed by council member prior to each meeting.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Financial report is produced and circulated prior to each meeting giving a summary of bank balances, performance to budget, payments made in FY so far, payments to be made at meeting, emergency payments made between meetings, VAT spent, VAT reclaimed, payments received in FY so far, payments received since last meeting. Financial report is reviewed at each meeting by council and signed off by Chairman.  Cheques are signed by two signatories, they are produced with the invoice for evidence which is also signed and check stubs initialled. No electronic payments are made.
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	All expenditure approved by council. Any interim payments made between meetings are checked and initialled by two signatories and reviewed at next council meeting.
Payments supported by invoices, authorised and minuted	Yes	All payments have supporting invoices which have to be signed by two signatories at the same time as the cheque is signed. All payments are minuted.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Financial report is produced and circulated prior to each meeting giving a summary of bank balances, performance to budget, payments made in FY so far, payments to

		be made at meeting, emergency payments made between meetings, VAT spent, VAT reclaimed, payments received in FY so far, payments received since last meeting. Financial report is reviewed at each meeting by council and signed off by Chairman.
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	Remittance advices from the District council for the precept are checked against actual payment in and against the request for precept amount. This is listed in the financial report as reviewed at each meeting.
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	Yes	NALC model contract As per NALC As per NALC SALC finance carries out payroll
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	Financial report is produced and circulated prior to each meeting giving a summary of bank balances, performance to budget, payments made in FY so far, payments to be made at meeting, emergency payments made between meetings, VAT spent, VAT reclaimed, payments received in FY so far, payments received since last meeting. Financial report is reviewed at each meeting by council and signed off by Chairman. Cash book records mirror this report.
Regular financial reporting to Parish Council	Yes	Financial report is produced and circulated prior to each meeting giving a summary of bank balances, performance to budget, payments made in FY so far, payments to be made at meeting, emergency payments made between meetings, VAT spent, VAT reclaimed, payments received in FY so far,

		payments received since last meeting. Financial report is reviewed at each meeting by council and signed off by Chairman.
Regular budget monitoring statements as reported to Parish Council	Yes	Financial report is produced and circulated prior to each meeting giving a summary of bank balances, performance to budget, payments made in FY so far, payments to be made at meeting, emergency payments made between meetings, VAT spent, VAT reclaimed, payments received in FY so far, payments received since last meeting. Financial report is reviewed at each meeting by council and signed off by Chairman.  Anticipated actual verses target budget performance reported in more detail in November meeting.
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government 2014</i> , Part 4:  Officer Decision Reports	Yes	Any decisions reported at council meetings
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	All expenditure minuted at council meetings.
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> </ul> Data Retention & Disposal Policies	Yes	The Clerk has in April 2023 been through the ICO parish council workbook and believes standards are adhered to.  Privacy notices have been reviewed and are published on the website.  SARs form and procedure is published on the web site.  ICO's guidelines on data breach would be adhered to.  Data retention information is published on the website.
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	Yes	All minutes have a numerical reference and page numbers. Master copies kept by Clerk. All minutes available on Clopton website.

Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	As per code of conduct: Councillors must report at council meeting Any person from whom they have received a gift or hospitality with an estimated value of at least £25.  Register of interests is kept up to date.  Any interests specific to agenda items are recorded in meeting minutes.
Adoption of Codes of Conduct for Members	Yes	Circulated to all Councillors prior to meeting and reviewed by council in May meeting
Declaration of Acceptance of Office	Yes	All councillors signed acceptance of office forms with the Clerk as witness during post election May meeting – Minute ref CPC047/23  The Chairman as elected in May 2023 has signed an acceptance of office – Minute ref CPC043/23

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: