

Sampford Courtenay Parish Council Statement of Internal Control

1. Scope of Responsibility

Sampford Courtenay Parish Council is a local authority funded largely by public money and 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. In discharging this overall responsibility, the Council is also 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 ongoing process designed to:

- a) Identify and prioritize the risks to the achievement of the Council's policies, aims and objectives
- b) Evaluate the likelihood of those risks being realized and the impact should they be realized
- c) Manage them efficiently, effectively and economically.

The annual report and accounts accord with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils latest edition.

3. The Council's Internal Controls

i) The Council

The Council has elected a Chair who is responsible for the smooth running of meetings. The Council reviews its obligations and objectives and approves a budget for each financial year which enables the Precept calculation to be completed.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The full Council meets on a monthly basis on dates published annually at the AGM and it receives the Minutes of the previous meetings. The council also monitors progress by receiving relevant reports from County and District Councillors. No expenditure may be incurred unless by way of authorised delegated authority of the Clerk or by agreement of full Council. Virement, from budget line to budget line, can be approved by full Council if deemed necessary and appropriate. The council carries out regular reviews of its internal controls, systems and procedures.

ii) 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/RFO is assessed annually against the NJC salary points

scale. The Clerk is the Council's Responsible Financial Officer and is responsible for the management and administration of 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.

iii) Payments

Authorisation: All expenditure must be authorised by the Council or by the Clerk by way of delegated authority set out in our financial regulations.

Recording/reporting: All payments and receipts are entered into the Council's accounting system. All receipts are reported to the Council. A copy of all payments is kept with the invoices on a month-by-month basis. The bank balance is reconciled monthly.

Method: All payments are made by on-line bank transfer. The Council currently has 2 Direct Debits set up on its accounts for regular annual payments. After the meeting the signatories check each online payment request against the list of payments as detailed in the agenda and the original relevant invoice is signed.

Mandate: Two members of the Council must authorise every payment.

Reconciliation: The Council checks the bank reconciliation against the Council's bank account statement **monthly**.

iv) Contracts

Procedures as to contracts are laid down in the Council's Standing Orders and Financial Regulations. The Council oversees all contract procedures.

v) Internal Audit

The Council has appointed **Rachel Avery** as its independent internal auditor until further notice who will report to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. The effectiveness of the internal audit is reviewed.

vi) External Audit

The Council has been appointed External Auditors PFK Littlejohn of Canary Wharf, London until further notice.

4. Review of effectiveness

Sampford Courtenay Parish Council has responsibility for conducting an annual review of the effectiveness of its systems of internal control. The review of the effectiveness of the system of internal controls is monitored and informed by:

- The Clerk to the Council
- The work of the Independent Internal Auditor
- The External Auditors through the annual return
- The number of significant issues that are raised during the year

Date adopted: **June 2023**

Date of next review: **May 2024**