

# WESTLETON PARISH COUNCIL

## INTERNAL CONTROL STATEMENT

### 1. Scope of Responsibility

Westleton 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.

Westleton Parish 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

Westleton Parish Council reviews its obligations and objectives and approves budgets for the following year normally at its November full Council meeting. The November meeting also approves the level of precept for the following financial year.

Westleton Parish Council **does not** as such have a dedicated Finance & Governance Committee. Instead, regular financial reports are submitted to the Parish Council and Members monitor progress against objectives, financial systems and budgetary control procedures. In 2021 the Parish Council has undertaken a full review of both its Standing Orders and Financial Regulations which are both inherent and override the whole process.

#### Clerk of the Council/Responsible Financial Officer

The Council has appointed a Clerk to Westleton Parish Council who acts as the Council's principal 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 to which Westleton Parish Council is subject and for managing risks. The Clerk also provides advice to help Westleton Parish Council ensure that it adheres to its procedures, control systems and policies.

#### Payments

Payments are taken from the Westleton Parish Council **Community** Account. [Note: The Parish Council also hold a separate **Business Premium** Account]. All payments are reported to Westleton Parish Council. Two Members of the Westleton Parish Council must sign every cheque. The signatories should consider each cheque or bank payment against the relevant invoice; sign the invoice and initial the cheque counterfoil and payment schedule. All authorised cheque signatories are Members of the Council. A Mandate change was made at the bank in 2020 so that the Clerk has now been added as an authorised person to hold the Parish Council's **Business Debit Card**.

## **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**

Westleton Parish Council reviews its Risk Management Policy and Risk Register annually, and regularly reviews its systems and controls.

## **Internal Audit**

An independent Internal Auditor reports to Westleton Parish Council annually on the adequacy of its:-

- Records
- Procedures
- Systems
- Internal Control
- Regulations
- Risk Management

## **External Audit**

The Parish Council must submit an Annual Governance & Accountability Return to the Government appointed External Auditors.

## **4. Review of Effectiveness**

Westleton Parish Council (through the Clerk and Responsible Financial Officer) has responsibility for conducting an annual review of the effectiveness of the systems of internal audit control ensuring that its financial management is adequate and effective, and that the Council has a sound system of internal control which facilitates the effective exercise of their functions and which includes arrangements for the management of risk.

As part of the Annual Audit the following checks are undertaken to ensure that the accounting records are being properly completed:

- that the cheque amounts/payments agree with invoices;
- that bank reconciliations are regularly undertaken;
- that any income due is received;
- that VAT returns have been completed;
- that salary payments agree with Council approved amounts;
- that financial statements produced for the Council agree with accounting records;
- that the asset register is updated annually;
- that the risk assessment is updated and reviewed annually;
- that all income/expenditure is reported to the Council and properly approved;

Westleton Parish Council considers these are reasonable controls, however, care should be taken to ensure that internal control checks 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. Note: Westleton Parish Council **does not** hold petty cash.

Westleton Parish Council reviews its system of internal control on an annual basis and our Governance documents are listed and included on the website. All these documents are subject to regular review in line with best practice.