

CODDENHAM PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024

1. **SCOPE OF RESPONSIBILITY**

Coddenham 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 January meeting. The January meeting of the council approves the level of precept for the following financial year.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and undertakes regular reviews of financial matters. A Councillor is appointed on a rota basis to undertake monthly bank reconciliation checks.

The Council meets at least six 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 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 bank signatories of the Council must sign the monthly schedule of payments. The signatories should consider each payment against the relevant invoice, sign the invoice and if paying by cheque, initial the cheque counterfoil. All authorised cheque signatories

are members of the Council. 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 March, and regularly reviews its systems and controls.

Internal Audit:

The Council has appointed SALC as an independent and competent internal auditor who reports to the Council on an annual basis on the adequacy of its:

- 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.

Chairman

RFO/Clerk

Approved and adopted by Coddensham Parish Council

Meeting date:

CODDENHAM 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 appoints a non-signatory Councillor, on a rota basis, to conduct a review of the system of internal control via the following tests on a quarterly 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	JCW – on website, listing to 31/3/23 will require updating for year-end '24
Regular maintenance arrangement for physical assets	No	Inspected regularly and maintained on an as needed basis
Annual review of risk and the adequacy of Insurance cover	Yes	Reported as unavailable (Sept 23 minute 565) so carried out outside of the meeting.
Annual review of financial risk	Yes	On the agenda for March 2024 Council meeting
Awareness of Standing Orders and Financial regulations	Yes	JCW
Adoption of Financial and Standing Orders	Yes	JCW
Regular reporting on performance by contractors	No	JCW - Reporting is presently on an ad-hoc or by exception basis

Annual review of contracts (as appropriate)	Yes	JCW - As they fall due for renewal
Regular bank reconciliation, independently reviewed	Yes	JCW - Presented and reviewed at each PC meeting
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	JCW – Presented and reviewed at each PC meeting
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	JCW – Reported in the monthly Schedule of Payments which is approved by Council
Payments supported by invoices, authorised and minuted	Yes	JCW – Reported in the monthly Schedule of Payments
Regular scrutiny of income records to ensure income is correctly received, recorded, and banked	Yes	JCW – Reported in the monthly Finance Report and review of bank statements
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	JCW – anticipated and recorded in the April and September Finance Reports based on MSDC payment schedule.
Contracts of employment for staff	Yes	JCW – one employee, new in 2023
Contract annually reviewed	Yes	JCW – first annual review still awaited, late 2024
Updating records to record changes in relevant legislation	Yes	JCW – as and when applicable
PAYE/NIC properly operated by the Council as an employer	Yes	JCW – HMRC using direct debit method
VAT correctly accounted for VAT payments identified, recorded, and reclaimed in the cashbook	Yes	JCW – claim for 23/24 to be progressed by new RFO
Regular financial reporting to Parish Council	Yes	JCW – Reported to each Council meeting and circulated prior by email
Regular budget monitoring statements are reported to Parish Council	Yes	JCW – Spend-to-date and best estimates for the balance of the year presented on a monthly basis to Council

Compliance with DCLG Guide <i>Open & Accountable Local Government</i> 2014, Part 4:	Yes	JCW – published on Council website
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	See comment	JCW – although CPC falls below the reporting threshold this is being adopted in the interest of full transparency by quarterly reporting.
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	Yes	JCW
Procedures in place for recording and monitoring Members’ Interests and Gifts of Hospitality	Yes	JCW – annual declarations however suggest that Gifts/Hospitality as a regular agenda item.
Adoption of Codes of Conduct for Members	Yes	JCW
Declaration of Acceptance of Office	Yes	JCW

Date of review of system of Internal Controls : 7th March 2024

Review of system of Internal Controls carried out by:

Name : John C Whitehead

Signature.....

Report submitted to Council

(minute reference)

Next review of system of Internal Controls due January 2025

Additional comments by reviewer: None