SHALDON PARISH COUNCIL

INTERNAL CONTROL STATEMENT

1. SCOPE OF RESPONSIBILITY

Shaldon 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.

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 management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the Clerk who is the Responsible Financial Officer but the Council members must ensure that they understand those controls and that they are operated effectively.

3. PERSONNEL INVOLVED IN THE INTERNAL CONTROL ENVIRONMENT

3.1 The Council

The Council has appointed a Chairperson who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairperson signs each page of the minutes at the Council meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The Finance Committee is made up of four Councillors including the Chairperson. The Committee meets in October/November to review the financial position and to propose a budget and the precept for the following financial year. The Council meets when required to consider the Clerk's salary and to review the Clerk's job description.

The Council approves a budget for the following year at the January meeting which also considers the level of precept for the following financial year, which is then approved no later than 31 January.

The Council receives a budget report each quarter and at each Council meeting receives a financial statement and a bank reconciliation.

Two Councillors (out of four named signatories) sign all cheques in the body of the Council meeting. The signatories also initial the cheque stubs. The chairperson ensures that the cheque agrees with the amount of the invoice and the payee named on the invoice.

Internet banking - accounts to be paid are placed onto the internet bank site by the RFO. These are listed on the payments to be made schedule which are then approved at the Full Council meeting. Once approved the Clerk will pay the invoices using internet banking. If invoices require payment before the next Full Council meeting the Clerk ensures that approval from at least 3 councillors is granted and then it is paid. The Clerk has delegated responsibility to spend up to the amount quoted in Financial Regulations if it is deemed necessary and urgent and no councillors are available.

The Council resolves to agree the receipts and payments made at each Council meeting.

3.2 Clerk to Council/Responsible Financial 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are maintained.

The duties of the Clerk / RFO are laid down in a Job Description which is reviewed from time to time.

The RFO submits all the requested information to the Internal and External Auditor by the required date.

The RFO arranges for the public notices to be displayed.

The RFO retains all relevant documents relating to finances for the number of years set out in statute which includes the Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments, accounts and supporting information.

3.3 Internal Auditor

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor.

The scope of the work of the Internal Auditor is reviewed annually and the review and the appointment are minuted.

The Internal Auditor inspects the accounts at the year-end 31st March, (prior to completion of the external audit), and completes and signs the required Audit form.

The findings of the Internal Auditor are copied to all members of the Council and considered at the next Council meeting.

3.4 External Audit

The Council's External Auditors submit an External Auditor's Report, which is to be considered at the next Council meeting.

4. Review of Effectiveness

The Council conducts an annual review of the effectiveness of the system of internal control.

Approved at meeting on 25 April 2023
Reviewed May 2025
Next Review May 2026
Shaldon Parish Council