

Chelmondiston Parish Council

STATEMENT ON INTERNAL CONTROL FOR YEAR ENDING 31 MARCH 2019

1. SCOPE OF RESPONSIBILITY

Chelmondiston 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 December/January meetings. The Council approves the level of precept for the following financial year at the December/January meeting.

The Council has appointed an Advisory Finance Group (AFG), which meets at least twice during the financial year. Members of the AFG monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The notes of the meetings of the Advisory Finance Group are circulated to all members of the Council and are attached to the minutes of a Council meeting.

The full Council meets 12 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk/RFO.

The Council carries out regular reviews of its internal controls, systems and procedures. Findings are Minuted at the Council meeting.

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 put on the agenda/public agenda for Council's approval. Two members of the Council must sign every cheque or order for payment. The signatories should consider each cheque 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.

Income:

All income is received and banked in the Council's name in a timely manner and reported to the Council at each meeting.

Risk Assessments/Risk Management:

The Council reviews its Financial Risk Assessment annually in October and April and regularly reviews its systems and controls.

Internal Audit:

The Council appoints an independent internal auditor who reports to the Council on a yearly 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 on Internal Control.

ClIr David Cordle
Chairman

Jill Davis
RFO/Clerk

Agreed by the Finance Committee 29/10/2018

Approved by Chelmondiston Parish Council 06/11/2018 and signed a Full Council 06/11/2018

Changes:

AFG will now be meeting twice per year.

The Financial Risk Assessment will be reviewed in October and April – at the AFG Meetings.