

## INTERNAL CONTROL STATEMENT

Adopted: June 2022

Review: June 2026

### 1. SCOPE OF RESPONSIBILITY

Acton 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, aim 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 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 November meeting. The January meeting of the council approves the level of precept for the following financial year. The Council also reviews its financial regulations annually.

The Parish Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters by receiving reports from the Responsible Financial Officer. A Councillor is appointed to have responsibility for scrutiny of payments and receipts and bank reconciliation checks at least three times per year.

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 members of the Council must sign every cheque and two signatories must authorise all BACS transfers for payment. The signatories should consider each payment against the relevant invoice and meeting minute. All authorised signatories are members of the Council. No officer of the Council can authorise payments. 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 and regularly reviews its systems and controls.

**Internal Audit:**

The council appoints 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.

## **INTERNAL CONTROL REPORT**

The Accounts & Audit (England) Regulations 2015 aim to strengthen governance and accountability through requirements related to internal control and internal audit. The Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope). It must also 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 reviews its system of internal control annually via the following tests with a written report of any findings submitted to the Council and minuted as received.

<b>TEST</b>	<b>Checked? Yes / No</b>	<b>COMMENTS</b>
Annual review of Asset Register	Yes	
Regular maintenance arrangement for physical assets	Yes	
Annual review of risk and the adequacy of Insurance cover	Yes	Insurance is due for 3-year renewal in October 2028
Annual review of financial risk	Yes	
Adoption of Financial and Standing Orders	Yes	Reviewed annually
Review of performance by contractors	Yes	Ongoing, case by case
Annual review of contracts	Yes	
Regular bank reconciliation, independently reviewed by rota Cllr	Yes	
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	
Regular scrutiny of payments records to ensure that they are supported by invoices, authorised and minuted	Yes	
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	
Staff contracts: - Contract annually reviewed - Updated with any changes in relevant legislation - PAYE/NIC properly operated by the Council as an employer	Yes	At annual appraisal
VAT correctly accounted for. VAT payments identified, recorded and reclaimed in the cashbook	Yes	
Regular financial reporting to Parish Council	Yes	
Regular budget monitoring statements as reported to Parish Council	Yes	

TEST	Checked? Yes / No	COMMENTS
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government</i> 2014, Part 4: Officer Decision Reports	Yes	
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	
Verifying that the Council is compliant with the General Data Protection Regulation requirements. Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>	Yes	
Minutes properly numbered and paginated with a master copy kept in Clerk's office or archived for safekeeping	Yes	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	N/A	
Adoption of Code of Conduct for Members	Yes	
Declarations of Acceptance of Office held for the years that the office holders are in post	Yes	

Date of review: June 2026

Next review due: June 2027

Review carried out by: Abbie Lee, Clerk and RFO

Signature: *A Lee*