

## PETTAUGH PARISH COUNCIL

### INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2021

#### 1. SCOPE OF RESPONSIBILITY

Pettaugh 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 Autumn and January meetings. The January meeting of the council approves the level of precept for the following financial year.

A Councillor is appointed to have responsibility for bank reconciliation checks.

The full council meets at minimum 4 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.

##### **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. A Responsible Financial Officer is appointed 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 or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and 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 appoints an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of it's:

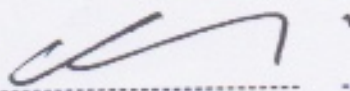
- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

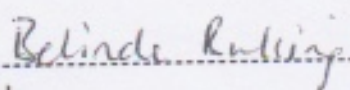
**External Audit:**

The council is exempt from an external audit.

**4. REVIEW OF EFFECTIVENESS**

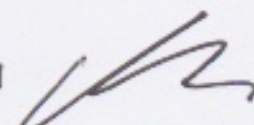
The council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement of Internal Control.

  
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 Chairman

  
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 RFO/Clerk

Approved and adopted by Pettaugh Parish Council

Meeting date: 30th March 2021

CHAIRMAN 

RFO Belinda Buising

RE-APPROVED AND RE-ADOPTED BY PETTAUGH PARISH COUNCIL

MEETING DATE: 26.05.21