

Alwington Parish Council - Statement of Internal Control 2023

Introduction

Alwington Parish Council is a local authority funded by public money and is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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 the management of risk.

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 ongoing process designed to:

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised;
- and manage them efficiently, effectively and economically.

The system of internal control accords with the practices set out in the Joint Panel on Accountability and Governance; A Practitioners Guide (2022 edition).

The Council

The Council has made standing orders and financial regulations which govern how it operates. These are reviewed on a regular basis.

The Council reviews its obligations and objectives and approves a budget for the following year at its January meeting. The meeting of the Council in January 2023 approved the level of precept for the following financial year.

The Council meets six times each year and monitors progress by receiving relevant reports at each meeting.

Clerk to the 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 also 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.

The Clerk shall supply to each councillor as soon as practicable after 30 June and 31 December in each year a statement to summarise:

- the council's receipts and payments for each half year;
- the council's aggregate receipts and payments for the year to date;
- the balances held at the end of the half year being reported and which includes a comparison with the budget for the previous financial year and highlights any actual or potential overspends.

As soon as possible after the financial year end at 31 March, the Responsible Financial Officer shall provide:

- each councillor with a statement summarising the council's receipts and payments for the last quarter and the year to date for information; and
- to the full council the accounting statements for the year in the form of Section 1 of the annual return, as required by proper practices, for consideration and approval.

The year end accounting statements shall be prepared in accordance with proper practices and applying the form of accounts determined by the council (receipts and payments, or income and expenditure) for a year to 31 March. A completed draft annual return shall be presented to each councillor before the end of the following month of May. The annual return of the council, which is subject to external audit, including the annual governance statement, shall be presented to council for consideration and formal approval before 30 June.

Payments

All payments by the Council shall be authorised, approved and paid in accordance with the law, proper practices and financial regulations (as set out within the Council's Standing Orders and Financial Regulations).

VAT

The Clerk will ensure that VAT invoices are received and regular VAT reclaims are made.

Employment

A contract of employment between the Clerk and the Council sets out the particulars and terms of employment. The Clerk's salary will be approved in advance by the Council, with payment being made by Torridge District Council on behalf of the Council. The Clerk will be reimbursed other reasonable expenses incurred as approved by the Council in accordance with its standing orders and financial regulations.

Tender process

The Council will follow the tender process for contracts for the supply of goods, materials, services or the execution of work as set out within the Council's Standing Orders and Financial Regulations. The Council is not bound to accept the lowest value tender.

Risk Assessment/Management

The Council maintains a risk assessment to ensure appropriate actions are in place to minimise risk to the Council's assets, financial and otherwise. The assessment is reviewed on an annual basis. The Council maintains insurance as appropriate to its needs.

Annual Audit

PKF Littlejohn have been appointed as external auditors to the Council. An internal auditor is appointed who reports annually to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. Agreed actions following audit are taken to address issues raised.

This statement was adopted by the council at its meeting held on 18 July 2023 (Min. 19:23/24).

