

CHERINGTON PARISH COUNCIL

Statement of Internal Control

Scope of Responsibility:

Cherington Parish Council (the Council) is a local authority funded by public money and is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, used economically, efficiently and effectively.

In meeting these responsibilities, assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance.

The Purpose of the System of Internal Control:

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level, forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives and to evaluate and manage those risks accordingly.

The Internal Control Environment:

The Council:

- appoints a Chairman to be responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful - with the clerk's advice.
- reviews its obligations and objectives and approves budgets for the following year at its January meeting. This meeting also approves the level of precept for the following financial year.
- meets seven times each year and monitors progress against its aims and objectives.

The Council Clerk to the Council/Responsible Financial Officer:

- is appointed by the Council to act as the Council's advisor and administrator.
- is the Council's Responsible Financial Officer and is responsible for administering the council's finances.
- is responsible for the day-to-day compliance with laws and regulations that the Council is subject to - and for managing risks.
- ensures that the council's procedures, control system and policies are adhered to.

Payroll Controls:

- the clerk has a contract of employment with clear terms and conditions.
- The clerk's salary paid agrees with that approved by the Council.
- PAYE is being properly operated by the Council as an employer **where applicable** and monthly submissions are made to HMRC as appropriate.

Payments:

- are reported to the Council for approval.
- are made by cheque and signed two (2) councillors (who also sign the relevant invoice and the counterfoil.)

Please note: the Council is currently registering for online banking and this statement of internal control will be updated to reflect that change shortly. Two signatories will authorise payments set up by the Clerk and approved at full Parish Council Meetings.

Income:

- is banked in the Council's name in a timely manner and reported to the Council.

Risk Management:

Risk management items are derived from the national model and span financial, fixed asset and personnel items. They are subject to regular review

Risk Assessments:

- Assessments are carried out in respect of actions, systems and controls – and are subject to regular review.

The Internal Audit:

- is carried out by an independent Internal Auditor who reports to the Council on the adequacy of its records, procedures, systems, internal controls, regulations and risk management reviews.

Standing Orders:

- the Council has adopted Model Standing Orders as recommended by the NALC / GAPTC.

Financial Orders:

- the Council has adopted model Financial Regulations as provided by NALC/GAPTC and reviews updates as necessary each year.

VAT:

- VAT payments are identified, recorded and reclaimed.

Petty Cash:

- The Council does not operate a petty cash system. All invoices are paid in accordance with the financial regulations unless otherwise stipulated in the Minutes with the reason for change.

Asset Register:

- the Council maintains a register of all material assets owned or in its care. The Clerk to update as and when necessary and to be approved annually.

Insurance:

- The Council's insurance provision is reviewed annually both in relation to its schedule of cover and also its value for money.

Code of Conduct:

- Each member must sign Acceptance of the Code and complete a Register of Interest form. Members to consider every item on the agenda and ensure that any interest is declared at the beginning of the meeting or before the matter is discussed.
- an item 'Declarations of Interest' will be placed on every agenda.
- Paragraph 12 (2) of the revised Model Code of Conduct has been adopted.