

BIDBOROUGH PARISH COUNCIL
STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDING 31 MARCH 2024

SCOPE OF RESPONSIBILITY

Bidborough Parish Council is a local authority funded largely by public money and 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.

In discharging this overall responsibility, Bidborough Parish Council (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.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

THE INTERNAL CONTROL ENVIRONMENT

The Council

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

The full Council meets at least eight times each year. It monitors progress by receiving relevant reports from the Parish Clerk.

The Clerk has delegated authority to incur expenditure of up to £500 in certain circumstances. The Council carries out regular reviews of its internal controls, systems, and procedures.

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 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 expenditure must be authorised by the Council, or by the Clerk as detailed above or in accordance with a delegation given to him/her by the Council.

All payments are reported to the Council through a payment schedule. The Council approves the Payment Schedule and all payments that are made. Authorised signatories are members of the Council and the Clerk. No member of staff of the Council can make payments unless it has been authorised by the Council.

Most payments are made by Bank transfer and are made in accordance with the payment schedule approved by the Council. All of the payments are made by the Clerk, acting as the Service Administrator, processing all approved payments through the Bank Account and authorising the payments which is then confirmed and authorised for payment by a Member of the Council who is an authorised signatory. In addition, all payments made by the Council are reconciled between the accounting software, the Bank Statements and the Payment Schedules by a different Member of the Council who is not an authorised signatory on the Bank Account.

On those occasions when a cheque is issued two members of the Council must sign every cheque. The signatories check each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No member of staff of the Council can sign cheques.

Risk Assessments / Risk Management

The Parish Council is introducing a system of regular risk assessment reviews which will include taking the necessary action arising out of these assessments.

Internal Audit

The Council appointed an Independent Internal Auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control, and risk management.

Internal Audit were satisfied with the Council's internal controls, systems, and procedures.

The effectiveness of the internal audit is reviewed annually by the Council.

External Audit

The Council's external auditors submit an annual Certificate of Audit, which is presented to the Council.

The External Auditor did not raise any material issues but did raise some issues of concern all of which have been dealt with by the Council

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 must approve the Statement of Internal Control.

Karen Vidler

Chairman

Neil Harris

Responsible Financial Officer / Clerk

Approved and adopted by Bidborough Parish Council on 2 September 2024