

## **WITHERSFIELD PARISH COUNCIL**

### **INTERNAL CONTROLS 2018/19**

#### **1 Scope of responsibility**

Withersfield 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.

In discharging this overall responsibility, the Parish Council is also responsible for ensuring that there is a sound system of internal control as required by Section 2 of the Annual Return.

#### **2 The purpose of the system of internal control**

The system of internal control is designed to manage risk reducing it 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 Parish 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**

##### **3.1 The Parish Council**

The Parish Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Parish Council decisions are lawful. The Parish Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its November meeting and confirms these at its January meeting. The Parish Council monitors progress of its obligations and objectives through consideration of the accounts at each meeting. The Parish Council regularly reviews its internal controls, systems and procedures through regular meetings involving the Chairman and the Clerk.

##### **3.2 The Clerk/Responsible Financial Officer**

The Parish Council has appointed a Clerk of the Parish Council who acts as the Parish Council's advisor and administrator. The Clerk is the Parish Council's Responsible Financial Officer and is responsible for administering the Parish Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Parish Council is subject to and for managing risks. The Clerk also ensures that the Parish Council's procedures, control systems and policies are adhered to.

##### **3.3 Payments**

All payments are reported to the Parish Council through provision of up to date accounts at each meeting. The Clerk is authorised to make payments which have been agreed through the budget setting process or in accordance with the Financial Regulations. Payments relating to new items over the level as set out in the Financial Regulations are made following discussion and agreement at meetings and recorded in the minutes.

Two members of the Parish Council must sign every cheque.

### 3.4 Risk assessments

The Parish Council carries out annual risk assessments in respect of its activities and regularly reviews its systems and controls.

### 3.5 Internal audit

The internal audit is carried out by an independent internal auditor who reports to the Parish Council on the adequacy of its records, procedures, systems, internal controls, regulations, and risk management reviews.

### 3.6 External audit

The external audit is carried out according to requirements relevant to each year under consideration.

## 4 Review of Effectiveness

The Parish Council is responsible for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness is informed by the work of:

- The Parish Council
- The Clerk/Responsible Financial Officer who is responsible for the development and maintenance of the internal control environment and managing risks
- The independent internal auditor who reviews the Parish Council's system of internal control
- The Parish Council's external auditor who makes the final check using the annual return, a form completed and signed by the Responsible Financial Officer, the chairman and the internal auditor.

## 5 Significant internal control issues

The Parish Council addresses any issues and weaknesses raised and reported during the review process.

Jill Johnson, Clerk  
Terry Rich, Chairman