

WEOBLEY PARISH COUNCIL

STATEMENT ON INTERNAL CONTROL

FOR THE YEAR 2015-16

1. SCOPE OF RESPONSIBILITY

Weobley Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and 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.

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 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.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its objectives and approves budgets for the following year at its November meeting. At that meeting the Council approves the level of precept for the following financial year.

The full Council meets a minimum of nine times each year and monitors progress against its aims and objectives and budget requirements by receiving reports from the Clerk, who is also the Responsible Financial Officer.

From time to time the Council reviews 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 the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

The duties of the Clerk / RFO are laid down in the Clerk's contract and in the Financial Regulations, which are reviewed each year.

The RFO submits all the requested information to the External Auditor by the required date

The RFO arranges for the public notices to be displayed

The RFO will retain all relevant documents relating to the financial year for 10 years (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments; accounts and supporting information)

Payments:

All payments are reported to the Council for approval. Two Members of the Council must sign every cheque.

Two councillors (out of four named signatories) must sign all cheques. The signatories will also initial the cheque stubs. The signatories will ensure that the cheque agrees with the amount of the invoice and the payee named on the invoice. A resolution from the Council proposed and seconded will approve the receipts and payments made for each month.

At the year end, the Chairman shall ensure that the cash book totals are reconciled to the year end bank statement and shall sign the cash book and the year end bank statement as evidence of this check.

Payments are made according to the provisions of the Standing Orders and Financial Regulations as laid down and approved by the Council

Risk Assessments / Risk Management:

When necessary the Council carries out risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Controls by Members:

Two appointed members will undertake the following checks and report to the Council three times a year in June, November and March.

Ensure that the cashbook (and any other accounting records) are being correctly written up and are mathematically correct - quarterly

Ensure the bank statement is reconciled - quarterly

Ensure that petty cash is reconciled - quarterly

Ensure that all income due is actually received - quarterly

Ensure that the financial statements produced to Council agree with the accounting records quarterly.

Transparency Code for Smaller Authorities.

The Council will ensure that the requirements for publishing information under the Transparency Code for Smaller Authorities are met.

Internal Audit:

The Council appoints an Independent Internal Auditor who reports to the Council on the adequacy of its:
Financial Records

Procedures

Systems

Internal controls

Regulations

Risk management

The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

The Internal Auditor will inspect the accounts at the year end (prior to completion of the Annual Return pages 2 and 3) and will complete page 5 of the Annual Return

The Internal Auditor will write a separate report to the Council detailing any findings they might have.

The report of the Internal Auditor is copied to all members of the Council and considered as an agenda item at the next meeting. Recommendations from the report will be recorded in the minutes.

External Audit:

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

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control:

- a) to observe and report whether the system of financial control put in place by the Council is adequate and working satisfactorily.
- b) To assist the Council in fulfilling its responsibility for the prevention and detection of fraud, error or mistakes

5. SIGNIFICANT INTERNAL CONTROL ISSUES

Any significant internal control issues identified during the year will be brought to the attention of the full Council. The Council strives for the continuous improvement of the system it has adopted for internal control and will address any issues and weaknesses raised and reported during the review process.

June 2015