

## WEST DEREHAM PARISH COUNCIL

### INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024

#### 1. SCOPE OF RESPONSIBILITY

West Dereham 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.

The council is 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 on-going 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 reviews its obligations and objectives throughout the year and approves budgets for the following year at its December meeting. The December meeting of the council is also when the council approves the level of precept for the following financial year.

The full council meets 11 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish Clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached [appendix 1](#).

##### **Clerk to the council/responsible finance 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 payments are reported to the council for approval. Two members of the council must sign every cheque or authorise every online payment. The signatories should consider each cheque or online

payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No officer of the Council can sign cheques.

**Income:**

All income is received and banked in the council's name in a timely manner and reported to the council.

**Risk Assessments/Risk Management:**

The council reviews its risk assessment annually in March, and regularly reviews its systems and controls.

**Internal Audit:**

The council appoints an independent internal auditor who reports to the council on the adequacy of it's:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

**External Audit:**

Providing the council is able to certify that it meets the various qualifying criteria set out on the Certificate of Exemption, and the higher of its annual gross income and gross expenditure was £25,000 or less, the council will declare itself exempt from a limited assurance review by the external auditor by **resolution** at a meeting of the council after the conclusion of a financial year. The Certificate of Exemption will then be completed, signed and returned to the external auditor.

Where the council does not meet the exemption criteria, 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, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement on Internal Control.

**Appendix 1**

**West Dereham Parish Council**

**Internal Controls Checklist**

**Year: 2023-24**

**Quarter:**

**Q1 – April-June**

**Q3 – Oct-Dec**

**Q2 – July-Sept**

**Q4 – Jan-Mar**

**Quarterly Internal Checklist**

All payments authorised by two Councillors

Chairman has initialled the original invoice

Bank accounts reconciled quarterly and presented to council

Payroll actioned accurately monthly

All payments and receipts are entered into accounting system accurately

Payment schedule presented to full council every month

VAT is claimed at least annually

YES/NO	Comment

**Signature.....**

**Print name.....**

**Date.....**