

KEDINGTON PARISH COUNCIL
INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2021

1. SCOPE OF RESPONSIBILITY

Kedington 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 and approves budgets for the following year at its November Budget / Precept meeting. The December/January meeting of the council approves the level of precept for the following financial year. Councillors involved in the Budget/Precept Meeting sign to state they are not in arrears (at least two months unpaid bills) with Council Tax.¹

Kedington Parish Council has appointed a Finance Committee. The Committee meets monthly (except August) during the financial year. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committee are circulated to all members of the Council. Bank reconciliation checks are carried out by Account and RFO monthly and present with budget sheet statements.

The full council meets monthly (except August) each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Finance committee and the Parish Clerk/RFO.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

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.

¹ Local Government Finance Act 1992, s106

Payments:

All payments are reported to the council for approval. Two members of the council must sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Parish Council. Where delegation permits, as per s.101 (1)(a) of the Local Government Act of 1972 and the Council's Financial Regulations, a report will be provided to the next full Council meeting.

Income:

All income is received and banked in the Parish 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 and competent Internal Auditor who reports to the council on an annual basis on the adequacy of it's:

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

External Audit:

The council's External Auditors, submit an annual certificate of audit which is presented to the Council, together with any issues arising (if any) Parishioners are given the opportunity to inspect the Council's documents and the Unaudited Annual Governance & Accountability Return.²

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 of Internal Control.

Chairman

Parish Clerk / RFO

Approved and adopted by Kedington Parish Council)

Meeting date:

² Local Audit and Accountability Act 2014 Sections 26 and 27. The Accounts and Audit Regulations 2015 (SI 2015/234)

KEDINGTON PARISH COUNCIL

INTERNAL CONTROL REPORT

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit. Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control:

“The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control; care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.”

As part of its internal control, the Kedington Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets	Yes	
Regular maintenance arrangement for physical assets	Yes	Street Furniture Condition Report identifies any faults/repairs needed
Annual review of risk and the adequacy of Insurance cover	Yes	Clerk checks insurance cover. Cyber Security cover required and quotation obtained 16/3/21
Annual review of financial risk	Yes	
Awareness of Standing Orders and Financial regulations	Yes	All Councillors have received these
Adoption of Financial and Standing Orders	Yes	New Standing Orders and Financial Regulations adopted January 2021
Regular reporting on performance by contractors	Yes	Councillor(s) appointed to oversee certain contracts and report any problems to Council
Annual review of contracts (where appropriate)	N/A	
Regular bank reconciliation, independently reviewed	Yes	Accountant and Clerk review bank reconciliation regularly and all Councillors receive a copy
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Finance Committee and full Parish Council Meetings
Recording in the minutes or appendices to the minutes the precise powers under which expenditure is being approved.	Yes	

Payments supported by invoices, authorised and minuted	Yes	
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	Minuted at full Parish Council meeting
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation	No	Clerk/RFO leaving 31 May 2021 so a new contract of employment will be put in place for new Clerk. Revised contracts being put in place for Crossing Supervisor and Village Cleaner. Changes in relevant legislation is actioned and recorded in minutes
PAYE/NIC properly operated by the Council as an employer	Yes	
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	VAT reclaimed every six months by Parish Council Accountant. Clerk reports amounts to Parish Council and recorded in minutes.
Regular financial reporting to Parish Council	Yes	Clerk reports at both Finance Committee and full Council
Regular budget monitoring statements are reported to Parish Council	Yes	Councillors receive all budget statements monthly which clearly show up to date budget
Compliance with DCLG Guide <i>Open & Accountable Local Government 2014</i> , Part 4: Officer Decision Reports	Yes	
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	
Verifying that the Council is compliant with the General Data Protection Regulation requirements: Are the following in place: <ul style="list-style-type: none"> • Audit / Impact Assessment • Privacy Notices • Procedures for dealing with Subject Access Requests • Procedure for dealing with Data breaches • Data Retention & Disposal Policies 	No	All to be adopted in April 2021
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	Yes	

Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	Would be declared at monthly meetings and minuted
Compliance with Website Accessibility Requirements	Yes	Website administrator Councillor Ann Naylor
Adoption of Codes of Conduct for Members	Yes	June 2014
Declaration of Acceptance of Office	Yes	Signed by each new Councillor in presence of Clerk and copy sent to West Suffolk Council

Date of review of system of Internal Controls 16 March 2021
Review of system of Internal Controls carried out by: Councillor Stella Wilsher

Signature.....

Report submitted to Council: 16 March 2021 Minute reference: KPC 126-08 Item 8.5.1

Additional comments by reviewer: