

## **KEDINGTON PARISH COUNCIL**

### **INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2023**

#### **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.<sup>1</sup>

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

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.

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<sup>1</sup> Local Government Finance Act 1992, s106

**Payments:**

All payments shall be effected by internet banking transfer, cheque or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council.

Cheques for payment drawn on the bank account shall be signed by two members of the Council in accordance with a resolution instructing that payment. To indicate agreement of the details shown on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil. Cheques for payment shall not normally be presented for signature other than at a Council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council at the next convenient 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.<sup>2</sup>

**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.

  
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Chairman

  
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Parish Clerk / RFO

Approved and adopted by Kedington Parish Council.

Meeting date: 22<sup>nd</sup> March 2022

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<sup>2</sup> 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.
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	Standing Orders and Financial Regulations adopted and reviewed annually.
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	Clerk/RFO reviews bank reconciliation regularly and all Councillors receive a copy
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Monthly Parish Council Meetings (except August)

Recording in the minutes or appendices to the minutes the precise powers under which expenditure is being approved.	<b>Yes</b>	
Payments supported by invoices, authorised and minuted.	<b>Yes</b>	
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	<b>Yes</b>	
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	<b>Yes</b>	Minuted at full Parish Council meeting
Contracts of employment for staff Contract annually reviewed	<b>Yes</b>	
Updating records to record changes in relevant legislation	<b>Yes</b>	Changes in relevant legislation is actioned and recorded in minutes
PAYE/NIC properly operated by the Council as an employer	<b>Yes</b>	
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	<b>Yes</b>	VAT reclaimed every three months by Clerk/RFO who reports amounts to Parish Council and recorded in minutes.
Regular financial reporting to Parish Council	<b>Yes</b>	Clerk/RFO reports to Council
Regular budget monitoring statements are reported to Parish Council	<b>Yes</b>	Councillors receive all budget statements monthly which clearly show up to date budget
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government 2014</i> , Part 4: Officer Decision Reports	<b>Yes</b>	
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	<b>Yes</b>	
Verifying that the Council is compliant with the General Data Protection Regulation requirements:  Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>	<b>Yes</b>	All adopted

Minutes properly numbered and paginated with a master copy kept for safe-keeping	<b>Yes</b>	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	<b>Yes</b>	Would be declared at monthly meetings and minuted
Compliance with Website Accessibility requirements	<b>Yes</b>	Website administrator Councillor Ann Naylor
Adoption of Codes of Conduct for Members	<b>Yes</b>	June 2014
Declaration of Acceptance of Office	<b>Yes</b>	Signed by each new Councillor in presence of Clerk and copy sent to West Suffolk Council

Date of review of system of Internal Controls                      17<sup>th</sup> March 2022  
Review of system of Internal Controls carried out by:            Councillor Wilsher

Signature.....

Report submitted to Council: 22<sup>nd</sup> March 2022                      Minute reference: KPC 127-10 Item 7.10

Additional comments by reviewer: