

PARHAM PARISH COUNCIL

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2025

SCOPE OF RESPONSIBILITY

Parham Parish Council is a local authority funded largely by public money, and 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, Parham Parish 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.

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.

The system of internal control will be reviewed annually.

THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its November or January meeting. The Council has an appointed Financial Responsible Officer reporting bimonthly to the Meeting of the Council.

The RFO/Clerk has delegated powers to incur expenditure on urgent matters up to £150 to be ratified at the next following Council meeting. All expenditure is to be approved by full Council. Any other expenditure to be approved as specified in the Financial Regulations which will be approved annually.

The Council carries out regular reviews of its internal controls, systems and procedures as follows:

Clerk to the Council / Responsible Financial Officer

The Clerk also has the role of Responsible Financial Officer to the Council and acts as the Council's advisor and administrator. The Clerk/Responsible Financial Officer is responsible for administering the Council's finances. The Clerk/RFO 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/RFO also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments

All expenditure must be authorised by the Council, by the Clerk/RFO after consultation with the appropriate Chair. All items of expenditure must be recorded on an official List of Payments submitted to the Council for approved payment, recording the Minute number. **This normally forms part of the Agenda.**

Two members of the Council must sign every invoice, cheque or order for payment. No member of staff of the Council can make payments or sign cheques.

Payments made under Section 137 of the LGA 1972 are recorded separately. The Clerk calculates the maximum amount of S.137 expenditure able to be made each year and ensures it is not exceeded.

Controls

All receipts and payments are reported to the Council via the Agenda and/or Minutes.

The Clerk maintains control of the cheque book at all times. **The clerk has service administration access to the Barclays bank accounts and CCLA deposit fund.**

Fixed Asset Register

The Clerk/RFO is to update this as and when necessary and **ensure any additional assets are added to the insurance policy if necessary.** The Asset Register is to be approved annually.

Risk Assessments / Risk Management

The Clerk/RFO will report on risk assessment to the Meeting as and when necessary. The Parish Council's insurance cover will be reviewed prior to renewal on 1st October and the level of Fidelity Guarantee Insurance has been raised to the recommended level (balances + half of precept, being the maximum amount of cash at risk at any time).

Please note that fundraising activities/successful funding applications should be taken into account as they may increase the amount of funds held at any given point.

Internal Audit

The Council will appoint an Independent internal auditor, who will report annually to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

External Audit

The Council's external auditors, **PKF Littlejohn, submit an annual Certificate of Audit or Certificate of Exemption of Audit, which is presented to the Council.**

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The results of that review must be considered by the Council and the Council must also approve the Statement on Internal Control.

Chair

Clerk and Responsible Financial Officer

Approved and adopted by Parham Parish Council