

WALDRINGFIELD PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31ST MARCH 2021

1. SCOPE OF RESPONSIBILITY

Waldringfield 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 or December meeting. The November/December meeting of 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/Responsible Financial Officer.

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.

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. Minutes will detail the names of councillors to approve the monthly online BACS payments to be made. All authorised cheque signatories and online banking signatories are members of the 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.

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 and competent internal auditor who reports to the council on an annual basis on the adequacy of its:

- 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.

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.

Approved and adopted by Waldringfield Parish Council.

Meeting date: 9th March 2021

WALDRINGFIELD PARISH COUNCIL

REVIEW OF INTERNAL FINANCIAL CONTROLS AND OF THE ANNUAL INTERNAL AUDIT (March 2021)

The Accounts & Audit (England) Regulations 2015 aims to strengthen the governance and accountability of local councils through requirements related to internal control and internal audit. To meet these requirements, Waldringfield Parish Council has reviewed the effectiveness of the internal audit (its independence, competence, proportion and scope) and has also examined the adequacy and effectiveness of the Council's financial management and its system of internal control.

Due to the ongoing Covid-19 pandemic, councillors have been unable to meet in person with the Clerk. However, councillors have used the following test list (as recommended by the Suffolk Association of Local Councils), to assure themselves that procedures have been followed. The Internal Auditor's report for the financial year 2019-20 was considered at the WPC meeting on 19th May 2020 and the recommendation to establish earmarked reserves has been implemented.

CONTROL TEST	TEST DONE	COMMENTS
Ensuring an up-to-date Register of Assets	Yes	Copy reviewed at the meeting on 9/03/21
Regular maintenance arrangement for physical assets	Yes	On an as-required basis. A review of physical assets will be conducted in 2021, when Covid-19 regulations permit.
Annual review of risk and the adequacy of Insurance cover	Yes	Risk assessment reviewed at the meeting on 9/03/21. Insurance cover is index linked and is reviewed at the time of renewal.
Annual review of financial risk	Yes	Undertaken as part of budgeting process including level of reserves.
Awareness of Standing Orders and Financial regulations	Yes	Reviewed and minuted.
Adoption of Financial & Standing Orders	Yes	Standing Orders reviewed & minuted 19/05/20 Financial Standing Orders reviewed & minuted 19/05/20
Regular reporting on performance by contractors	Yes	Performed on an as-required basis
Annual review of contracts (where appropriate)	No	Not applicable
Regular bank reconciliation, independently reviewed	Yes	Monthly at the Parish Council meeting. Electronic bank statements viewed, due to virtual meetings.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Monthly at the Parish Council meeting. BACS payments approved by two councillors using online banking (names minuted).
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	This should be done for all non-routine items.
Payments supported by invoices, authorised and minuted	Yes	Monthly at the Parish Council meeting. Councillors invited to inspect electronic invoices, due to meeting virtually. Physical copies filed.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Monthly at the Parish Council meeting
Scrutiny to ensure precept recorded in the cashbook agrees to ESC notification	Yes	At the Parish Council meeting following receipt.
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer	Yes	The Clerk is the only employee. Contract reviewed annually. HMRC and pension requirements responded to.

VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	Annually at year end.
Regular financial reporting to Parish Council	Yes	Monthly at the Parish Council meeting
Regular budget monitoring statements reported to Parish Council	Yes	Monthly at the Parish Council meeting
Compliance with 2014 Regulations: Officer Decision Reports	No	Not applicable
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £100	Yes	Monthly at the Parish Council meeting
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	Physical copy kept in folder. Electronic copy kept on Clerk's computer and backed up to cloud server. Published on website.
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	Covered by members declarations to ESC
Adoption of Codes of Conduct for Members	Yes	Following an election
Declaration of Acceptance of Office	Yes	Following an election

Date of review of System of Internal Controls: 9th March 2021

Next review of system of Internal Controls due: March 2022