

WALDRINGFIELD PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31ST MARCH 2023

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/December or January meeting. The November/December/January 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 approve every order for payment. The signatories should consider each payment against the relevant invoice. Minutes will detail the names of councillors to approve the monthly online BACS payments to be made. All authorised 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 February/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.

Chairman

RFO/Clerk

Approved and adopted by Waldringfield Parish Council

Meeting date: 14 March 2023

WALDRINGFIELD PARISH COUNCIL

REVIEW OF INTERNAL FINANCIAL CONTROLS AND OF THE ANNUAL INTERNAL AUDIT (February 2023)

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.

Cllr Kay met with the clerk on 21 February 2023 to undertake a review of financial systems. Councillors 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 2021-22 was considered at the WPC meeting on 10th May 2022 .

Control Test	Tested	Comments
Ensuring an up-to-date Register of Assets	YES	Now forms part of budget – Asset register reviewed as part of this review – printout from Scribe. New register of external assets not on the playing field reviewed and Quarterly inspections to commence once location data placed in the register
Regular maintenance arrangement for physical assets	YES	Monthly inspections of playground reviewed – June and October 2022 were inspected by Cllr Kays. <i>Quarterly reviews to be scheduled in 2023/24 with new template</i>
Annual review of risk and the adequacy of Insurance cover	YES	Risk assessment reviewed at the meeting on 08/03/22 and will be reviewed 14.03.23. Insurance cover reviewed and report to Council made by working group 03/10/22. Cllr Kay reviewed report
Annual review of financial risk	YES	Undertaken as part of budgeting process which now include cash flow statements and level of reserves includes depreciation. Cllr Kay reviewed cash flow stmts from July and Sept 2022, budget notes and last year's Internal Controls review.
Awareness of Standing Orders And Financial regulations	YES	Reviewed and minuted 10.05.22.
Adoption of Financial & Standing Orders	YES	Standing Orders and Financial Standing Orders reviewed & minuted 10 May 2022 – minutes were inspected by Cllr Kay
Regular reporting on performance by contractors	YES	Performed on an as-required basis eg. Grass cutting is reviewed monthly
Annual review of contracts (where appropriate)	NO	Not applicable
Regular bank reconciliation, independently reviewed	YES	Monthly at the Parish Council meeting, signed by inspecting Cllr. Cllr Kay reviewed inspected June and October 2022 and verified signature present.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	YES	Monthly at the Parish Council meeting expenditure documentation reviewed and authorisation minuted. BACS payments approved by two councillors using online banking (names minuted). Cllr Kay inspected August and December 2022 to verify process.
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	YES	This is done for all non-routine items.
Payments supported by invoices, authorised and minuted	YES	Monthly at the Parish Council meeting. Cllr reviews in the meeting. Cllr Kay inspected payments list, invoices and minutes for August and December 2022 and verified process.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	YES	Monthly at the Parish Council meeting. Cllr Kay inspected May and September 2022 receipts and confirmed
Scrutiny to ensure precept recorded in the cashbook agrees to ESC notification	YES	At the Parish Council meeting following receipt. Cllr Kay inspected

		The Precept request for 2022-23 and verified payments received April and September 2022 equalled Precept request.
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. Cllr Kay reviewed the employment file and verified an employment contract, HMRC PAYE statement and most recent probationary review letter were present. Also reviewed payslips and evidence of submissions to HMRC for November 22 and January 23
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	YES	VAT is identified on all payments when incurred. Cllr Kay reviewed the interim claim in December. Cllr Kay verified VAT is being recorded on receipts where VAT is paid (payments pack for Nov 22 and Jan 23); reviewed December submission and verified received by HMRC and correct receipt noted.
Regular financial reporting to Parish Council	YES	Monthly at the Parish Council meeting. Cllr Kay reviewed supporting documents for May and September 2022 – verified regular financial reporting which now includes a cash flow statement.
Regular budget monitoring statements as reported to Parish Council	YES	Monthly at the Parish Council meeting. This was verified in the review of the May and September 2022 supporting documents.
Compliance with 2014 Regulations: Officer Decision Reports	NO	Not applicable
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £100	YES	All items of expenditure are detailed monthly in the supporting documents, which will include any expenditure over £100. Monthly at the Parish Council meeting. Cllr Kay reviewed May and July 2022 expenses to ensure >£100 payments included.
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. Cllr Kay viewed checked pagination, signatures and numbering on minutes of August and November 2022
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	YES	Covered by members declarations to ESC. Cllr Kay noted minutes of 10 May 22 where Cllrs were reminded to update their register.
Verifying that the Council is compliant with the General Data Protection Regulations. The following are in place: 1. Audit / Impact Assessment 2. Privacy Notices 3. Procedures for dealing with Subject Access Requests 4. Procedure for dealing with Data breaches 5. Data Retention & Disposal Policies	YES	Data Privacy Notice and Data Protection and Information Management Policy was adopted was adopted 13 Oct 2020 by the WPC. Cllr Kay reviewed the policies to ensure they met the test objectives. Objectives were noted as present in these policies. Noted were pages 4, 7, 9 and 20 of the Data Protection and Information Management Policy as addressing these requirements
Adoption of Codes of Conduct for Members	YES	New CoC adopted 10 May 2022 (minutes and policy reviewed by Cllr Kay). Declarations of Acceptance of Office bind Cllrs to policy. Cllr Kay reviewed retention of DoAO.
Declaration of Acceptance of Office	YES	Following an election/Cooption – Cllr Kay confirmed these are retained

Date of review of System of Internal Controls: **21 February 2023**

Review of system Internal Controls carried out by:

Name **Cllr Ian Kay** Signature.....

Report submitted to Council 14 March 2023

(Minute reference).....

Next review of system of Internal Controls due: March 2024