

## **OLD CLEEVE PARISH COUNCIL STATEMENT OF INTERNAL CONTROL**

### **FOR THE YEAR ENDING 31st MARCH 2023**

#### **1. Scope of Responsibility**

Old Cleeve Parish Council (the 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. In discharging this overall responsibility, the 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.

#### **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 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.

#### **3. The Internal Control Environment**

##### **The Council:**

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its November Meeting. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports from the Parish Clerk. The Council regularly reviews its internal controls, systems and procedures.

##### **The Clerk/Responsible Financial Officer:**

The Council has appointed a Clerk of 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

##### **Payments:**

All payments are approved by Council. Two Members of Council must sign every cheque or authorise any bank payment or transfer.

##### **Risk Assessments/Risk Management:**

An Inspection Committee carries out regular risk assessments in respect of its activities and regularly reviews its system and controls. The asset register and inspection schedule are updated as required and reviewed regularly and at least annually.

##### **Internal Audit:**

The Council has appointed an independent Internal Auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The effectiveness of internal audit is reviewed annually.

**External Audit:**

Where appropriate, the Council's External Auditors submits an annual Certificate of Audit which is presented to the Council.

**4. Review of Effectiveness (see below)**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- Where appropriate, the Council's External Auditors who make the final check using the Annual Return, a form completed and signed by the RFO, the Chairman and Internal Auditor

**5. Significant Internal Control Issues**

No internal control issues were identified during the 2020/2021 internal audit.

The Council strives for the continuous improvement of the system it has designed for internal control.

**Chairman:** Ian Duncan

**Clerk of the Council:** Alison Flind

Date: Agreed at the February 20<sup>th</sup> 2023 OCPC meeting

**Annual Review of Effectiveness For 2022/2023**

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

5. We carried out an assessment of the risks facing the council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

6. We maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and control systems.

7. We took appropriate action on all matters raised in reports from internal and external audit.

8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and where appropriate have included them in the accounting statements.

9. Trust funds including charitable. In our capacity as the sole managing trustee, we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and if required, independent examinations or audit.