

## Statement of Internal Control 2023/24

Shalden Parish Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and for ensuring that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The internal audit is a part of this process.

The Council is responsible for monitoring the effectiveness of the internal controls over its finances which are reviewed annually by the Councillors. Their assessment takes into account the size of the Parish Council's budget and operations and its precept, and the requirements of its internal audit processes. It is believed that this report provides assurance that the expected standards are being met and that the work of the internal audit is effective.

### **Role of the Clerk to the Council and Responsible Officer**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is also the Council's Responsible Officer and is responsible for administering the Council's finances and system of internal control. 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.

The process of Internal control is an ongoing one. Reviews of internal controls, systems and procedures are carried out periodically. Reviewers have at all times access to all relevant documents and records to facilitate this. These include but are not limited to the following documents:

### **The Minute Book**

This is kept up to date. Approval of the minutes takes place as an agenda item at every meeting, the minutes being those of the previous meeting. Draft minutes are circulated to all Councillors after every meeting. Minutes reflect meetings accurately, are clear and are without errors.

### **Accounts Presentation**

The financial records are an Excel analysed cashbook from which Bi-monthly Financial Summaries are prepared. These are fully transparent with reports presented at every Parish Council meeting to be approved by the Council and then signed by the Chair.

### **Standing Orders**

These are up to date and take into account the latest relevant legislation.

### **Financial Regulations**

These are up to date and meet the requirements of the risk assessment, which was also carried out as part of this review (see below).

### **Fixed Asset Register**

This is kept complete and up to date.

### **Insurance Schedule**

This is up to date and the cover it provides is sufficient to cover the assets belonging to the Parish Council and it also meets the requirements of the risk assessment.

### **Internal Control Environment**

The Council strives for the continuous improvement of the system it has adopted for internal control. As a result, strong financial management processes commensurate with the size of the council's operations are in place.

The Council appoints a Chair who is responsible for the smooth running of meetings and for ensuring, with guidance from the Clerk, that all Council decisions are lawful. The Chair and the Clerk meet as is necessary to review all matters pertaining to the Council

The Council reviews its obligations and objectives, agrees priorities and approves budgets for the following year at its November meeting. The November meeting of the Council approves the level of precept for the following financial year.

#### **Payments**

All payments are made through BACS, Direct Debits or manual cheque payments. The Clerk initiates all payments. Online payments are initiated by the clerk and approved online by a Councillor. All cheque payments require the signatures of two Councillors or one Councillor and the Clerk/RFO and all cheque stubs are initialled by the same. All payments are reported to the Council for approval and minuted.

The Clerk maintains the cash book and prepares financial summaries ahead of each Parish Council meeting. The Chairman reviews the bank reconciliation, compares the payments to those authorised at the last meeting and compares the bank balance to the bank statement, Any discrepancies are investigated. Additionally, all Parish Councillors have access to this same information.

#### **Internal Audit**

The Council will ask an independent professional to audit the previous year's finances and papers.

#### **External Audit**

The Council's External Auditors, BDO LLP, are appointed by Smaller Authorities Audit Appointments Ltd, until 2026/27. As neither the council's gross income nor gross expenditure exceed £25,000.00 the council is able to certify itself as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015. The Certificate of Exemption is approved at the Annual Meeting.

#### **Data Protection**

The Chair and Data Protection Officer have conducted a risk assessment and developed data protection processes commensurate with the council's operations together with Privacy Policies. These have been approved by the Council. All Councillors' email accounts are accessible by the Clerk.

The Clerk's laptop is backed up to the cloud and is accessible by the Clerk and the Chair.

#### **Risk Assessment**

The Council has assessed the risks the Parish Council faces. These cannot be avoided altogether but the Council has taken steps to mitigate them as far as practicable. The list is not exhaustive and the committee did not detail all those risks that it considers to be adequately managed through the appointment of a Clerk whom it considers to be very competent and through the application of the Parish Council's regime of internal control detailed earlier in this report. The principal risks have been considered in an appendix to this report.

#### **Appendix A - Risk Analysis**

This report was discussed and approved at a meeting of Shalden Parish Council which took place this day, 23 May 2023.

Reviewed and approved by the Council: May 2023