

# MOULTON PARISH COUNCIL

## INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2023

### 1. SCOPE OF RESPONSIBILITY

Moulton Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, 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 the budget and level of precept for the following financial year at its November meeting.

A councillor is appointed to have responsibility for bank reconciliation checks which includes cross referencing payments made against the payments details in the Council's accounts.

The Council meets six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

#### **Clerk to The Council/Responsible Finance Officer:**

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:**

Almost all payments are made online, and cheques are rarely used. Payments are reported to the Council for approval. Two members of the Council must sign the Schedule of Payments. The signatories consider each payment against the relevant invoice and sign the invoice. If payments are made by cheque, two councillors sign cheques and initial the cheque stub. The clerk is authorised to set up online payments which then have to be authorised by a councillor. The clerk is not authorised to sign cheques. Regular payments are approved at the January meeting and the clerk is authorised to set up these payments as and when required. A statement of all payments made is presented to the Parish Council at their next full council meeting.

#### **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:**

Should an external audit be required, 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. This review takes place in January.

Reviewed: 16<sup>th</sup> January 2023.