



Bothenhampton & Walditch

Parish Council since 1886

# **BOTHENHAMPTON & WALDITCH PARISH COUNCIL**

## **STATEMENT OF INTERNAL CONTROL**

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Adopted 13<sup>th</sup> September 2021

Parish Council Chairman

## **STATEMENT OF INTERNAL CONTROL**

### **Introduction**

Bothenhampton and Walditch 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 as well as being 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.

### **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

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31st March 2021 and up to the date of approval of the annual report and accounts and accords with proper practice as laid down by the Council's Financial Regulations which were last adopted in September 2020.

### **The Council's Internal Controls**

#### **The Council's Chairman**

The Council has elected a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Council reviewed its obligations and objectives and approved the level of precept and individual budgets for the following financial year at its November 2020 meeting.

#### **Full Council**

The full Council meets ten times during the year and monitors progress against its aims and objectives at each meeting by reviewing and ratifying the recommendations of:

- the Finance and Funding sub-committee
- the Transport, Traffic and Footpaths sub-committee
- the Open Spaces and Play Areas sub-committee

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

#### **Finance and Funding sub-committee**

The Council's Finance and Funding sub-committee monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. It makes recommendations to the full Council.

#### **Risk Management**

The Parish Council reviewed its risk management strategy in June 2020 and carries out risk review workshops when required with councillors drawn from the Main Committee.

### **The Clerk / RFO**

The Council has appointed a Clerk and Responsible Finance Officer who acts as the Council's advisor and administrator. The Clerk manages and administers the Council's finances and is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks as well as ensuring adherence to the Council's procedures, control systems and policies.

### **Payments**

All payments are made electronically. All invoices together with an invoice cover sheet listing all payments and amounts are sent electronically to every councillor prior to the Main Committee meetings. The invoice cover sheet is authorised by the Chairman.

### **Cash Flow Forecast**

A cash flow forecast showing the agreed budget for each cost centre over the year together with actual spend is presented to the Main Committee by the Chair of Finance and Funding sub-committee.

### **Bank Statements**

Bank Statements are sent to the Main Committee each month. The Chair of the Finance and Funding sub-committee checks the bank statement against the Cash Flow Forecast. The Chairman signs the bank statement.

### **Internal Audit**

The Council has appointed an independent Internal Auditor who reports to the Council on the adequacy of its:

- Financial records
- Procedures
- Systems
- Risk management

The effectiveness of the internal audit is reviewed annually.

### **External Audit**

The Council's External Auditors, PKF Littlejohn, submit an annual Certificate of Audit, which is presented to the Council in September.

### **Effectiveness**

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

- Finance and Funding sub-committee
- Full Council
- Clerk and Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and the management of risks
- Independent Internal Auditor who reviews the Council's system of internal controls
- External Auditors, PKF Littlejohn, who make the final check using the Annual Governance and Accountability Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor

**Internal Control Issues**

The Council's Internal Auditor conducted his review of the Council's financial procedures on 8th April 2021. The Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

Date: Adopted 13<sup>th</sup> September 2021