Model Internal Control Statement and Report to Council. This document should be tailored to meet the needs of your Council particularly where [] are shown.

HOLTON PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024

1. SCOPE OF RESPONSIBILITY

Holton 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 January meeting. The January meeting of the council approves the level of precept for the following financial year.

A Councillor is appointed to have responsibility for bank reconciliation checks.

The full council meets 6 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. 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 sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council.

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No officer of the Council can sign cheques. 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 it's:

- 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.

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Chairman RFO/Clerk

Approved and adopted by Holton Parish Council

Meeting date: 10/1/2024

HOLTON PARISH COUNCIL

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INTERNAL CONTROL REPORT

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

'The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control.... care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs.'

As part of its internal control, the Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets	YES	Inspected
Regular maintenance arrangement for physical assets	YES	Contract inspected
Annual review of risk and the adequacy of Insurance cover	YES	Minute ref
Annual review of financial risk	YES	Ditto
Awareness of Standing Orders and Financial regulations	YES	Annual re-issue
Adoption of Financial and Standing Orders	YES	Minuted.
Regular reporting on performance by contractors	YES	Maintainence Contract
Annual review of contracts (where appropriate)		N/A (other than above)

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Regular bank reconciliation, independently reviewed	YES	At each meeting + minuted.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	YES	see minutes
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	YES	sampled.
Payments supported by invoices, authorised and minuted	YES	sampled.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	YES	@ varterly + spreadsheet.
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	YES	+ minutes confirm.
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 YES — YES	SALC Payroll service
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cash-book	YES	Spreadsheet + Bank statements confirm
Regular financial reporting to Parish Council	YES	Minutes report
Regular budget monitoring statements as reported to Parish Council	YES	@ varterly
Compliance with DCLG Guide *Open & Accountable Local Government* 2014, Part 4: Officer Decision Reports	YES N/A	—
Compliance with Local Transparency Code Of 2014:	YES	website reviewed.

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Items of expenditure incurred over £500	YES	
Verifying that the Council is compliant with the General Data Protection Regulation re-quirements Are the following in place: • Audit / Impact Assessment • Privacy Notices • Procedures for dealing with Subject Access Requests • Procedure for dealing with Data breaches • Data Retention & Disposal Policies	 ✓ ✓ ✓ ✓ ✓	Reviewed
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	YES	Record inspected.
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	YES	Minutes + record maintained
Adoption of Codes of Conduct for Members	YES	Minuted.
Declaration of Acceptance of Office	YES	Held + observed.

Date of review of system of Internal Controls..... 28th November 2023

Review of system of Internal Controls carried out by:

Name..... RICHARD DAY ..... Signature.....

Report submitted to Council (date).....

(minute reference) .....

Next review of system of Internal Controls due..... 12 months

Additional comments by reviewer: There are no issues of concern (Internal audit confirm adequacy of control procedures)