

Upton Magna Parish Council

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

Upton Magna 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.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control as required by Section 2 of the Annual Return – Annual Governance Statement.

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.

The system of internal control has been in place at the Council for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

THE INTERNAL CONTROL ENVIRONMENT

The Parish Council:

- appoints a Chairman to be responsible for the smooth running of meetings and for ensuring that all Parish Council decisions are lawful;
- reviews its obligations and objectives and approves budgets for the following year at its January meeting. The January meeting of the Parish Council approves the level of precept for the following financial year;
- meets 11 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish Clerk;
- carries out regular reviews of its internal controls, systems and procedures.

The Parish Council Clerk to the Council / Responsible Financial Officer:

- is appointed by the Parish Council to act as the Council's advisor and administrator;
- is the Council's Responsible Financial Officer and is responsible for administering the Council's finances;
- is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks;
- ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

- are reported to the Parish Council for approval;
- are made by cheque and 2 Councillors are required to sign each cheque.

Income:

- is banked in the Parish Councils' name in a timely manner and reported to the Parish Council.

Risk Assessments (Risk Management):

- are carried out in respect of actions. Systems and controls are regularly reviewed.

The Internal Audit:

- is carried out by an Independent Internal Auditor who reports to the Council on the adequacy of its records, procedures, systems, internal controls, regulations, risk management reviews;
- system is reviewed annually to ensure its continued effectiveness.

The External Audit:

- is carried out by external auditors appointed by the Parish Council (Mazars) who submit and present to the Parish Council an annual Certificate of Audit.

REVIEW OF EFFECTIVENESS

The Parish Council is responsible for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness is informed by the work of:

- The full Council;
- The Parish Clerk/Responsible Financial Officer who is responsible for the development and maintenance of the internal control environment and managing risks;
- The independent Internal Auditor who reviews the Council's system of internal control;
- the Audit Commission, the Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. The Audit Commission issue an annual audit certificate;
- the number of significant issues that are raised during the year.

SIGNIFICANT INTERNAL CONTROL ISSUES

The Parish Council strives for the continuous improvement of the system it has adopted for internal control and will address any issues and weaknesses raised and reported during the review process.

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