

Annual Review of the Effectiveness of the Internal Control Environment

The system of internal control is based within a framework comprising the Code of Conduct, internal regulations (including but not limited to Financial Regulations) and administrative procedures.

It is further enhanced by the regular provision of management and financial information. The system is constantly monitored by members as well as officers within the council, most particularly by the Council's Finance and Personnel Committee.

The key elements of the Council's internal control environment are:

- Standing Orders, Financial Regulations and other policies covering a range of functions are implemented and reviewed regularly. Compliance with policies, procedures, laws and regulations is the responsibility of the Council together with the Parish Clerk.
- The Council has adopted a "Code of Corporate Governance"
- The Council has undertaken a Financial Risk Assessment in order to provide a comprehensive framework for the management of risk throughout the council.
- The Council undertakes a thorough review each year of its insurance schedule.
- The Council has measures to prevent and detect fraud, outlined below.
- Through reviews by internal and external auditors and other external agencies, the Council constantly seeks ways of ensuring the economic, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised.

In June 2014, following a review of the Financial Regulations, the following procedures were agreed:

1. Procedures to ensure the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible

The Parish Council will work with our external accountants to enter invoices received onto the Omega system as soon as reasonable. Following relevant checks, all outstanding invoices are put to the next Finance and Personnel Committee for authorisation and payment.

Income is recorded and banked by the Parish Council staff and is undertaken in accordance with the Financial Risk Assessment and Lone Working Policy.

2. Procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct lost records

When orders are placed with suppliers a purchase order is raised at the point of ordering. This includes the agreed amount, VAT and delivery charges.

Purchase orders are recorded on the purchase order spreadsheet and filed in a Purchase Order book.

On receipt of an invoice the relevant purchase order is attached to the invoice. The goods, work, supplier and amount for payment is checked. It is then passed to the Clerk who also checks these items and authorises the invoice.

If the amount relates to a regular payment, a single purchase order is raised for the year and each month is checked off, so that duplication of payment in a single month does not take place.

The schedule of income and expenditure is prepared for scrutiny by the Finance and Personnel Committee.

all mail received by post is scanned, marking whether the item is financial in nature and who it is from and to which officer it is given.

All invoices, whether received by post or by email, are retained in hard copy in line with the records retention schedule.

3. *Duties of Officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions*

The Parish Council staff will enter all items on to the computer, print off reports and undertake a preliminary check of all invoices received.

The Clerk will check the invoices against purchase order and sign the invoices accordingly.

Payments are made by BACS using online banking. This is a two-step process: payments are authorised at F&P by two signatories. The payments are set up within the online banking facility. A bank signatory must then logon separately to the online banking to approve the payments. Upon approval payments are sent. Any payments made by telephone are first agreed by the Finance and Personnel Committee and witnessed by the Clerk. The witnessing of such transactions is signed by the Clerk, or by the Chair of the Council in their absence.

The Parish Council staff will arrange for the PAYE and NI returns as well as superannuation returns to be sent electronically, with payment sent separately as authorised by the Council.

4. *Procedures to ensure that uncollectable amounts are approved by the RFO before being put to the Council to be written off and approvals are shown in the accounting records*

The annual bad debt report is put to the Finance and Personnel Committee in March.

5. *Measures to show that risk is properly managed*

Risk Assessments are reviewed annually and this is coupled with the annual review of the insurance schedule.

Review History	To be reviewed annually
Reviewed by Finance and Personnel	18/3/15
Reviewed by Finance and Personnel	23/3/16
Reviewed by Parish Council, no changes	3/5/16
Reviewed by Finance and Personnel	22/3/17
Reviewed by Parish Council, no changes	03/04/17 and 2/5/17
Reviewed by Finance and Personnel	22/3/18
Agreed by Parish Council	3/4/18
Reviewed by Finance and Personnel	20/3/19
Agreed by Parish Council	01/04/2019
Reviewed by Finance and Personnel	18/03/2020
Agreed by Parish Council	04/05/2020
Reviewed by Finance and Personnel	17/06/2021
Agreed by Parish Council	03/05/2021
Reviewed by Finance and Personnel	20/1/22
Agreed by Parish Council	07/02/2022
Agreed by Parish Council	03/05/2022
Agreed by Parish Council	15/05/2023
Agreed by Parish Council	7/5/24
Date of next review	May 2025