

STANFORD RIVERS PARISH COUNCIL

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Clerk: Mrs Adriana Jones

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STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31ST MARCH 2025

SCOPE OF RESPONSIBILITY

Stanford Rivers Parish Council is a local authority largely funded by public money and 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. This system facilitates the effective exercise of the Council's functions and includes arrangements for the management of risk.

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 2024 and up to the date of approval of the annual report and accounts and, except for the details of any significant internal control issues, accords with proper practice, as set out in the Practitioners' Guide *Governance and Accountability in Local Councils* (2022 Edition)

THE INTERNAL CONTROL ENVIRONMENT

The Parish Council:

- appoints a Chairman to be responsible for the smooth running of meetings
- reviews its obligations and objectives and approves a budget 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
- at each meeting receives relevant reports from the Clerk of the Council
- carries out regular reviews of its internal controls, systems and procedures
- makes decisions that are within the Standing Orders and Financial Regulations laid down and approved by the Council

The Clerk of the Council:

- 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
- reports bi-monthly to the Council
- provides full bi-monthly bank reconciliations to all members of the Council
- submits all the requested information to the External Auditor by the required date

Payments:

- are reported to the Council on a list of payments for approval

- are made normally by direct bank transfer. In both cases, the clerk either instructs the payment with the bank or writes the cheque, and two councillors are required to sign/ authorise each payment. This is a 3 factor authentication process.
- cheques and direct payments can be authorised outside the meeting in an emergency but must be reported to the next meeting of the Council.

Income:

- is banked in the Parish Councils account in a timely manner and reported to the Council on a monthly basis

Risk Management

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

Asset Register

- The Clerk updates the Register as and when necessary and it is approved annually.

Insurance

- The Council's insurance cover is reviewed once a year at the March meeting prior to renewal at the end of March.
- The level of Employee Dishonesty (Fidelity Guarantee) Insurance is currently set to cover the full precept amount.

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 and reviews.
- The scope of the work is reviewed annually.
- The appointment of the Internal auditor is approved annually.

The External Audit:

- is carried out by external auditors (currently PKF Littlejohn) 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 Clerk of the Council/Responsible Financial Officer who is responsible for the development and maintenance of the internal control environment and managing the risks identified.
- The independent Internal Auditor who reviews the Council's system of internal control.
- 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 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.

EXTERNAL AUDIT OPINION

Matters raised by the External Auditor for the Financial Year to 31st March 2024 were:

No issues were raised

Approved by	Council	Date
Last reviewed	Full Parish Council	6 th March 2025
Next review due:		