

DATCHET PARISH COUNCIL STATEMENT ON INTERNAL CONTROL

APRIL 2023

(FOR REVIEW MARCH 2024)

1. SCOPE OF RESPONSIBILITY

Datchet Parish Council is a local authority funded largely by public money; it 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 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 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 accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils (2022 edition).

3. THE COUNCIL'S INTERNAL CONTROLS

a) The Council

The Council has elected a Chairman, who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and approved a budget and balancing precept demand for the 2023/24 year of £144,531 (Minute ref: 22.146).

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters.

The full Council meets on a monthly basis. The Council also monitors progress by receiving relevant reports from Lead Councillors, the Parish Clerk & Responsible Finance Officer, and its Officers.

No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget unless a virement has been approved by The Council. Emergency expenditure may be made on the authority of the Lead Member concerned in agreement with the RFO, and the Chairman and/or the Lead Member of Finance. Any such expenditure will be notified to Council as soon as reasonably practicable and subsequent appropriate financial adjustments made.

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

b) Clerk to the Council / Responsible Finance Officer

The Council has appointed a Clerk (currently a Locum) 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 the management and administration of 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.

c) Payments

Authorisation: Is in accordance with Council's adopted Financial Regulations which will be reviewed in 2023.

d) Recording/reporting: All payments and receipts are entered into the Council's Rialtas Omega Accounting System by the Finance Officer. All receipts and payments are reported to the Council. A copy of the invoice which has a payment slip, signed by the Lead Member and a copy of the payment list as approved at the meeting is kept on file. The bank is reconciled monthly.

e) Method: All payments are made by BACS, cheques are only issued where BACS payment is not possible. standing order or direct debit; The signatories check each order for payment against the original relevant invoice, signing the invoice once approved.

f) Mandate: Two Members of the Council must authorise every cheque or BACS order for payment.

g) Reconciliation: The Administration Assistant and RFO checks the bank reconciliation against the Council's original bank account statements; the original bank statements are presented to the Council. The Lead Member signs the bank reconciliation.

h) Contracts

Procedures as to contracts are laid down in the Council's Standing Orders and Financial Regulations. The Council oversees all contract procedures.

e) Internal Audit

The Council has appointed an Internal Auditor for 2022/23; a two-stage audit, reports are presented to the Council on the adequacy of its records, procedures, systems, internal controls and risk management.

The effectiveness of the internal audit will be reviewed in May 2023.

f) External Audit

The Council's appointed external auditors are PKF Littlejohn LLP. Following completion of the External Audit, the annual Certificate of Audit is provided, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

Datchet Parish 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 monitored and informed by:

- the Clerk to the Council/Responsible Financial Officer;
- the work of Officers within the Council reporting to the Parish Clerk (the Responsible Finance Officer);
- the work of the Independent Internal Auditor;
- the External Auditors through the Annual Return and their annual letter;
- those elected Members with designated responsibility within this area;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

Any concerns about the effectiveness of the system of internal control are investigated and action(s) taken as appropriate.

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.

We are satisfied on all accounts that our arrangements are effective and meet expected standards and confirm that a review of the effectiveness of the system of internal control will be undertaken prior to signing of the Annual Governance Return.

The Council approved the Statement of Internal Control at its meeting on 17th April 2023.

Signed Date (Chairman Datchet Parish Council)

Signed Date (Parish Clerk and Responsible Finance Officer)