



# Three Saints South Elmham Parish Council

All Saints & St. Nicholas, St. Michael and St. Peter South Elmham

## INTERNAL CONTROL STATEMENT

### 1. SCOPE OF RESPONSIBILITY

Three Saints 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 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.

### 3. THE INTERNAL CONTROL ENVIRONMENT

#### **The Council:**

The council reviews its obligations and objectives and approves budgets and the level of precept for the following year at its November meeting for the following financial year.

The full council meets six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Responsible Financial Officer.

The council carries out yearly reviews of its internal controls, systems and procedures.

#### **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 cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No officer of the Council can sign cheques.



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## **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 March and regularly reviews its systems and controls.

## **Internal Audit:**

The council appoints an independent internal auditor who reports to the council on a yearly basis on the adequacy of it's:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

## **External Audit:**

From 2017 smaller authorities with a turnover below £25,000 will still be required to complete and publish an Annual Return but will no longer be required to submit it for external audit. The Clerk/RFO will apply yearly for exemption from the external audit.

## **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 on Internal Control.