

Linton-In-Craven Parish Council

Statement of Internal Control for the year ending 31 March 2021

Linton Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is used economically, safeguarded and properly accounted for.

Regulation 4 of the Accounts and Audit Regulations, 2003 as amended, imposes a duty on local councils to ensure "that the financial management of the body is adequate and effective and that the body has a sound system of internal control".

Local councils are required, at least once a year, to conduct, in accordance with proper practices, a review of the effectiveness of its system of internal control. The council is required to sign the annual governance statement (on the annual return submitted to the external auditor) to evidence that this review has been undertaken.

In order for the Parish Council to review the effectiveness of the internal control system there needs to be some clarity on the internal controls in place.

The following system of internal control has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the annual accounts.

Internal Control Procedures:

The Council:

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves the budget for the following year at its November, December or January meeting. The December or January meeting approves the level of precept for the following financial year.

The Council monitors progress against its budget twice per year as part of the RFO finance report.

The Council reviews annually its internal controls, systems and procedures.

To guard against fraud, once per year the Council appoint an individual Councillor to carry out a number of independent checks to ensure that there is adequate on-going monitoring of the financial affairs of the council. The results of this internal control exercise are reported to Council.

The Council appoint an individual Councillor to verify bank reconciliations produced by the RFO at least four times per year. The results of this internal control exercise are reported to Council.

Clerk to the Council/ Responsible Finance Officer:

The Council has appointed a Clerk, who is also the RFO. The clerk is responsible for day to day compliance with laws and for managing risk. The clerk also ensures that the Council's procedures, control systems and policies are adhered to.

The RFO is responsible for administering the Council's finances and specifically:

- Ensuring the keeping of proper records: The cashbook is maintained and regularly balanced by RFO. Once per year the cashbook is checked by an appointed Councillor who reports findings to Council.
- Presenting a finance report to every Council meeting.
- Carrying out a bank reconciliation on the receipt of each statement and reported to next meeting of Council.

Financial Regulations

The Council has adopted financial regulations, and reviews them annually.

Payment controls:

Payments are approved by Council resolution. However, due to the small number of Council meetings the RFO is authorised to pay cheques for previously approved expenditure in between meetings (Resolution: Council Meeting 22/9/11: 09/11-8.1). All payments are reported at every Council meeting.

Two members of the Council must authorise every cheque (signatories to initial cheque stubs and invoice, and RFO to countersign stub).

Income:

Income is promptly banked, recorded in cashbook and reported to next meeting of Council.
No petty cash system in operated.

Risk Management/ Asset Control:

The Council carries out an annual assessment of risks it is exposed to and identifies any actions necessary to minimise those risks. The financial risk assessment is reviewed annually. Property risk assessments are undertaken twice a year.

The Council reviews annually its asset register and insurance cover.

Internal Audit:

The Council appoints an independent auditor to report to the Council on the adequacy of its records and procedures. The annual report of the internal auditor is reviewed at Council meeting.

External Audit:

The Council's external auditors submit an annual Certificate of Audit, which is presented to the Council should an external audit be undertaken and the council does not certify as exempt.

Internal control review/ issues:

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control.