**INTERNAL CONTROL STATEMENT FOR FINANCIAL YEAR**

1. **SCOPE OF RESPONSIBILITY**

Offton & Willisham 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.

Offton & Willisham Parish 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.

1. **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 on-going 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.

1. **THE INTERNAL CONTROL ENVIRONMENT**

**The Council:**

Willisham & Offton Parish Council reviews its obligations and objectives and approves budgets for the following year at its December full Council meeting. The December meeting of Willisham & Oftton Parish Council approves the level of precept for the following financial year.

Willisham & Offton Parish Council meet during the financial year. Members of the Council monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings are a matter of public record.

The full Council meets a minimum of 4 times each year and monitors progress against its aims and objectives at each meeting by receiving minutes, recommendations and reports from the Planning & Emergency Committees. The Council carries out regular reviews of its internal controls, systems and procedures (see statement at **Appendix 1**).

**Clerk to the Council/Responsible Financial Officer (RFO):**

The Council has appointed a Parish Clerk to Willisham & Offton Parish Council who acts as the Council’s principal 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 to which Willisham & Offton Parish Council is subject and for managing risks. The Clerk also provides advice to help Willisham & Offton Parish Council ensure that it adheres to its procedures, control systems and policies.

**Payments:**

Payments are taken from the Willisham & Offton Parish Council account. All payments are reported to Willisham & Offton Parish Council. Every quarter, a nominated councillor will check invoices, the receipts and payments records and bank statements. Two members of Willisham & Offton Parish Council must sign every cheque. The signatories should consider each cheque or bank payment against the relevant invoice, sign the invoice and initial the cheque counterfoil and payment schedule. All authorised cheque signatories are Members of the Council. No officer of Willisham & Offton Parish Council can sign cheques from this account. In accordance with its Financial Regulations, Council has approved the use of standing orders to pay staff. Willisham & Offton Parish Council have no petty cash.

**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:**

Willisham & Offton Parish Council reviews its Risk Management Policy and regularly reviews its systems and controls.

**Internal Audit:**

Willisham & Offton Parish Council has appointed an independent Internal Auditor who reports to Willisham & Offton Parish Council every year on the adequacy of its:

* Records
* Procedures
* Systems
* Internal control
* Regulations
* Risk management.

**External Audit:**

The Council is normally an exempt council.

**4. REVIEW OF EFFECTIVENESS**

Willisham & Offton Parish 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.

**Appendix 1**

**Internal Control Statement**

Offton & Willisham Parish Council as a whole is responsible for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of their functions and which includes arrangements for the management of risk.

Offton & Willisham Parish Council has determined that the most appropriate method of internal control is at its Full Council Meetings, it’s quarterly review of accounts and*,* an annual Internal Audit review undertaking routine checks to ensure that the accounting records are being properly completed. A random selection of items will ensure that the person carrying out the review is satisfied that the accounting records are correctly maintained. The following checks have been completed:

* that the cashbook is correctly written up and mathematically correct;
* that cheque/BACS amounts agree with invoices;
* that bank reconciliations are regularly undertaken;
* that income due is received;
* that VAT returns have been completed at a minimum of every 3yrs;
* that salary payments agree with Council approved amounts;
* that financial statements produced for Council agree with the accounting records;
* that the asset register is updated annually;
* that the risk assessment is updated and reviewed annually;
* that all income/expenditure is reported to the Council and properly approved;

Offton & Willisham Parish Council considers these are reasonable controls, however, care should be taken to ensure that internal control checks are proportionate and relevant, and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.

Offton & Willisham Parish Council reviews its system of internal control on an annual basis by full Council along with the Council’s statement of internal control and is formally recorded i.e in the minutes or on a separate report which is referred to in the minutes.

**Reviewed in the Annual Meeting in May**