Broomfield Parish Council

Statement of Internal Control

Scope of responsibility
Broomfield 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.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which efficiently and effectively exercise the Council's functions and which includes arrangements for the management of risk.

The purpose of the system of internal control
The system of internal control is designed to ensure that the council's activities are carried out properly and as intended. Internal controls are set up by the Clerk who is the Responsible Financial Officer, but the Council members must ensure that they have an understanding of those controls and that they are operated effectively.

Personnel responsible for internal control
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 Chairman signs each page of the minutes at the Council meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The Finance Committee is made up of at least four Councillors. The Committee meets on at least four occasions throughout the year to ensure there are regular reviews of the financial position. All Councillors receive financial reports, note payroll, inspect the bank statements and compare them to the reconciliations. The Finance Committee also has a programme of work that reviews governance, financial regulations, standing orders, policies, procedures, risk management annually or when required. The committee co-ordinates budget requests from other Committees and proposes a budget and the precept for the following financial year.

In summary, the Councillors are responsible for confirming:
- that bank reconciliations are regularly undertaken;
- that income due is received;
- that VAT returns have been completed;
- 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 and expenditure is reported to the Council and properly approved.

Payments are taken from the Council's main account, and all payments are reported to Full Council. Two councillors out of three named signatories approve all electronic BACS payments, on receipt of corresponding invoices. The signatories satisfy themselves that the individual BACS payments agree with the amount of the invoice and the payee named on the invoice. The invoice bears a pro-forma stamp which includes details of the two Councillors authorising the BACS payment.

No cheques or petty cash are used.

All income is received and banked in the Council's name in a timely manner and reported to Full Council.

The Clerk/Responsible Financial Officer is authorised to spend up to £500 and up to £2000 for instances of serious risk to the delivery of council services.

The Finance and Personnel Committee has taken on the responsibilities of the Personnel Committee and will consider staffing issues when required.

The Council approves a budget for the following year at the December meeting which also approves the level of precept for the following financial year.

All Committees have terms of reference which are reviewed annually along with membership.

Clerk to the Council / Responsible Financial 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and polices are maintained.

The duties of the Clerk and Responsible Financial Officer are laid down in a Job Description which is reviewed from time to time.

The Responsible Financial Officer submits all the requested information to the Internal and External Auditor by the required date.

The Responsible Financial Officer arranges for the public notices to be displayed.

The Responsible Financial Officer retains all relevant documents relating to finances for a period reflected in the council's retention of documents policy.

Internal Auditor
The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit is reviewed annually, and the council agrees to the appointment of the Internal Auditor.

The scope of the work of the Internal Auditor is reviewed annually and the review and the appointment is minuted.

The Internal Auditor inspects the accounts at the year-end (prior to completion of the Annual Return pages 2 and 3) and completes page 5 of the Annual Return

The findings of the Internal Auditor are copied to all members of the Council and considered at the next Finance and Personnel Committee meeting and are also passed to the Council meeting for approval and authorisation of any actions required.

Risk Assessment and risk management
The Parish Council's insurance cover is reviewed annually with reference to the asset register and the known risks inherent in the property and services provided.

External Audit
The Council's External Auditors, submit an External Auditor's Report, which is considered by Full Council who will instruct the Clerk with any actions required.

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 and the Council must also approve the Statement on Internal Control.