

## **AYLESFORD PARISH COUNCIL**

### **STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2020**

#### **SCOPE OF RESPONSIBILITY**

Aylesford Parish Council is a local authority funded largely by public money, and 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, Aylesford Parish Council (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.

#### **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.

The system of internal control has been in place at the Council for the year ended 31 March 2020 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide *Governance and Accountability in Local Councils*.

#### **THE INTERNAL CONTROL ENVIRONMENT**

##### **The Council**

The Council reviews its obligations and objectives and approves a budget for the following year at its January meeting. The meeting of the Council in January 2020 approved the level of precept for the following financial year.

The Council has appointed several Committees: Environmental Services, Finance Advisory Sub Committee, Planning, and Policy and Resources. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committees are circulated to all members of the Council.

The full Council meets six times each year. It monitors progress by receiving relevant reports from all of the committees and the Parish Clerk.

All of the Committees have delegated powers to incur expenditure within their budgetary provision. The Clerk has delegated authority to incur expenditure of up to £1000.

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

### **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 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 expenditure must be authorised by the Council, or by a committee having delegated authority, or by the Clerk as detailed above.

All payments are reported to the Council or the Policy and Resources Committee through a payment schedule. Two members of the Council must sign the payment schedule having first compared the schedule against the relevant invoice (which has already been signed by the Clerk), and sign the invoice. All authorised signatories are members of the Council. No member of staff of the Council can make payments (otherwise than out of petty cash).

On those occasions when a cheque is issued two members of the Council must sign every cheque. The signatories check each cheque against the relevant invoice (which has already been signed by the Clerk), sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No member of staff of the Council can sign cheques.

In addition the Chairman also checks the monthly bank reconciliation, online bank accounts and petty cash reconciliation.

### **Risk Assessments / Risk Management**

The Parish Council undertakes regular risk assessment reviews and takes the necessary action arising out of these assessments.

### **Internal Audit**

The Council has appointed an Independent internal auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The Internal Audit has not reported any issues of significance regarding its internal controls, systems and procedures.

The effectiveness of the internal audit is reviewed annually by the Council.

### **External Audit**

The Council's external auditors submit an annual Certificate of Audit, which is presented to the Council.

The External Auditor did not raise any issues at last year's audit which would need to be addressed this year.

## **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 Finance Advisory Sub Committee and Council must approve the Statement on Internal Control.

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(Chairman)

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(Responsible Financial Officer / Clerk)

Approved and adopted by Aylesford Parish Council on 17 March 2020