

## STEEP PARISH COUNCIL

### STATEMENT OF INTERNAL CONTROL FOR YEAR ENDING 31<sup>ST</sup> MARCH 2016

Steep Parish Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and for ensuring that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Finance Sub-Committee have prepared this report for presentation to the Parish Council, with support from the Clerk, Jenny Hollington.

This report takes into account the size of the Parish Council precept and its needs and usage. It is believed that this report provides assurance that the expected standards are being met.

While this report has been produced towards the end of the year, it is recognised that the process is an ongoing one. Regular reviews of internal controls, systems and procedures are carried out. Councillors have access to all relevant documents to facilitate this. This includes but is not limited to the following documents:

**The Minute Book** - This is kept up to date. Approval of the previous meeting's minutes takes place as an agenda item at every meeting. Draft minutes are circulated to all Councillors shortly after every meeting and reflect meetings accurately, are clear and are without errors.

**Accounts Presentation** - These are fully transparent with reports presented as required at Parish Council meetings and with appropriate arrangements for independent audit.

**Standing Orders** - These are up to date, and take into account the latest relevant legislation.

**Financial Regulations** - These are up to date and meet the requirements of the risk assessment, which was also carried out as part of this review (see below).

**Fixed Asset Register** - This is complete and up to date.

**Insurance Schedule** - This is up to date and the cover it provides is sufficient to cover the assets belonging to the Parish Council and it also meets the requirements of the risk assessment.

**The Risk Register** – This is reviewed and up-dated annually and includes a section on effective financial management.

**Internal Control Environment** - The Council strives for the continuous improvement of the system it has adopted for internal control. As a result strong financial management processes are in place.

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

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

The full Council meets at least 6-times a year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.

The Chairman and the Clerk meet as regularly as is necessary to review all matters pertaining to the Council.

**Role of the 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 policies are adhered to.

**Payments:** All payments are made by cheque. The Clerk makes all payments. All cheques require two Councillors' signatures and all cheque stubs are initialled by same. All payments are reported to the Council for approval and minuted.

**Precept:** The Council approves budgets for the following year at its November meeting. At this meeting, the Council approves the level of the precept for the following financial year, identifying major objectives for the coming year as part of that process.

**Internal Audit:** The Council hires an Internal Auditor, Ken Abraham. Mr Abraham is a professional auditor with 40 years accounting and management experience and with particular interest in Parish and Town Councils. He is well placed to advise the Council on the adequacy of all its procedures. Any issues raised will be acted upon and there are no actions outstanding from previous reports.

**External Audit:** The Audit Commission closed in March 2015 and Councils whose receipts and payments are less than £25,000 are exempt from routine external audit and are instead subject to the Smaller Bodies Transparency Code.

**The Smaller Bodies Transparency Code:** Steep Parish Council has complied with the requirements of the Transparency Code for Smaller Authorities and the appropriate information is available via the website – [www.steep-pc.gov.uk](http://www.steep-pc.gov.uk).

The Council acknowledges that it cannot avoid risk altogether but hopes that any risk is considerably reduced and that objectives are met in the most efficient way. The list is not exhaustive and does not detail those risks that it considers to be adequately managed through the appointment of a Clerk.

This report was discussed and approved at a meeting of Steep Parish Council which took place this day, 7th March 2016.

Chairman

Clerk & RFO