

Aldeby Parish Council Annual Review of the Effectiveness of Internal Control

The Accounts and Audit Regulations 2015:

“(1) The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions, and which includes arrangements for the management of risk.

(2) The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control.”

Internal Control:

The system of internal control is designed to reduce the financial risk of the Parish Council to an acceptable level.

Financial Management:

The Parish Council has approved a set of financial regulations which set out the way that Council’s finances are to be managed. These are reviewed and approved once a year.

Two councillors who are named signatories, must sign all cheques and other financial documents. The Clerk may not authorise payments.

The cheque signatory shall check the supporting document at the time of signing, to ensure that the cheque agrees with the amount of the invoice and the payee named on the invoice. The cheque stub should also be initialled to record that the name on the cheque stub is the same as that on the cheque.

At the end of the year the Chairman shall ensure that the cash book totals are reconciled to the year-end bank statement and shall sign the cash book as evidence of this check.

The Clerk is the Responsible Financial Officer (RFO) and is responsible for the day to day financial management of the Council. The duties of the RFO are reviewed and approved once a year.

In January, the Council shall review the budget in detail and shall decide on the precept for the forthcoming year.

Internal Audit:

The Council has appointed an independent and competent internal auditor and carries out a review of the effectiveness of the internal audit once a year. The auditor reports his findings to the full Council and completes Section 4 of the Annual Return.

External Audit:

The Council’s external auditors are PKF Littlejohn LLP, who complete Section 3 of the Annual Return. Their comments and recommendations are reported to the full Council.

Review:

This review shall be carried out once a year and recorded in the Council’s minutes.

.....

Chairman of the Council

Dated.....

.....

Responsible Financial Officer

Dated.....