



PIRBRIGHT PARISH COUNCIL

Statement of Internal Control

1. Scope of Responsibility

Pirbright Parish Council (the Council) is a local authority funded 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 meeting this responsibility, assurance is required to show that there is a sound system of internal control, which facilitates the effective exercise of the Council's functions and includes arrangements for the management of risk.

2. The Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

3. The Internal Control Environment

3.1 The Council

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its January Meeting. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports from the Parish Clerk. The Council regularly reviews its internal controls, systems and procedures.

The Chairman shall sign and date each page of the Minutes, once approved, at the Council meetings. Decisions shall be made in accordance with the Standing Orders (re-adopted annually) and Financial Regulations approved by the Council. In the absence of the Chair, the Vice Chair shall sign and date each page of the Minutes, once approved, at the Council Meetings.

3.2 The Clerk/Responsible Financial Officer

The Council has appointed a Clerk of 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.

3.3 Payroll Controls

The Clerk has a contract of employment with clear terms and conditions. The Clerk has a salary which is approved by the Council.



- 3.4 **Payments / Income (SignRequest Software)**
The Council subscribes to an online application called SignRequest. Using this software, all invoices are loaded onto the software by the Clerk and once the goods have been received, the Clerk confirms this via the software. The invoices are then sent for approval to two Councillors. The Clerk's signature and two further signatories are required to authorise every payment. SignRequest stores copies of the authorised invoices in the Cloud for future reference. Invoices are not released via the online Banking system, unless accompanied by the SignRequest authorisation. All income is banked in the Council's name by the Clerk in a timely manner and reported to the Council.
- 3.5 **Risk Assessments/Risk Management**
The Council carries out regular risk assessments in respect of its activities and regularly reviews its systems and controls.
- 3.6 **Internal Audit**
The Council has appointed an independent, competent internal auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management.
- 3.7 **External Audit**
The Council's External Auditors are appointed in accordance with the current statutory accounting and audit framework. The Council's External Auditor submits an annual Certificate of Audit which is presented to the Council.
- 3.8 **Standing Orders**
The Council has adopted the Model Standing Orders as recommended by NALC. The Standing Orders are reviewed for continued relevance at least annually and amended where necessary by the Clerk with any proposed amendments subject to approval by the Parish Council.
- 3.9 **Financial Regulations**
The Council has adopted Financial Regulations based on the model version prepared by NALC/SLCC. The Regulations are reviewed for continued relevance at least annually and amended where necessary by the Clerk/RFO with any proposed amendments subject to approval by the Parish Council.
- 3.10 **VAT**
VAT payments are identified, recorded and reclaimed by the Clerk/RFO.
- 3.11 **Asset Register**
The Council maintains a register of all material assets owned or in its care. The Clerk is tasked with updating as and when necessary and the register is to be approved annually by the Council.
- 3.12 **Insurance**
The Council's insurance provision is reviewed annually both in relation to its schedule of cover and also in its value for money.



4. Code of Conduct

Each member must sign an Acceptance of the Code and complete a Register of Interest form. Members must consider every item on the Agenda and ensure that any interest is declared at the beginning of the meeting or before the matter is discussed. An item listed as "Declarations of Interest" will be placed on every meeting Agenda.

5. Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- 5.1 The Council.
- 5.2 The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk.
- 5.3 The independent Internal Auditor who reviews the Council's systems of internal control.
- 5.4 The Council's External Auditor who makes the final check using the annual return, a form completed and signed by the RFO, the Chairman and the Internal Auditor.

6. Significant Internal Control Issues

Whilst no significant internal control issues were identified during the year, the Council strives for the continuous improvement of the system it has designed for internal control and has addressed all of the minor issues and weaknesses raised and reported during the review process.




Statement of Internal Control Procedures

Cash Book / Bank Reconciliations	<p>The cash book is kept electronically in Excel spreadsheet format. It is kept up to date from original documents, receipts, invoices and payments.</p> <p>The cash book is reconciled to the bank statements in preparation of every Parish Council meeting.</p> <p>A bank reconciliation is presented at each Parish Council meeting.</p> <p>The balances reported can be traced back to expenditure approved in the previous meeting via the Minutes.</p> <p>The cash book, bank statements, payments and receipts are reviewed by a member of the Parish Council monthly.</p>
Financial Regulations	<p>The Parish Council has adopted Financial Regulations based on the NALC model.</p> <p>The regulations are reviewed for continued relevance and amended where necessary via approval by the Parish Council.</p>
Order / Tender Control	<p>The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.</p>
Legal Power	<p>A proper legal power is identified for each expenditure.</p>
Payment Controls using SignRequest Software and a Two-Person Online Banking authorisation process	<p>Depending on the nature of the supply, the RFO checks the purchase invoice to indicate that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct.</p> <p>Purchase orders will be numbered.</p> <p>Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.</p> <p>The RFO will check invoices when they are received and will sign to state that the goods/services have been received by the Council using the SignRequest software.</p> <p>All payments are reported to the Council for approval via the Agenda.</p> <p>Two Members of the Council must sign every cheque or order for payment using the SignRequest software.</p> <p>The signatories should consider each cheque/payment against the relevant invoice, sign the invoice using SignRequest software and initial the cheque stub.</p> <p>Payments are listed in the Minutes of the meeting.</p> <p>The RFO maintains control of the cheque book at all times.</p> <p>Internet banking payments are raised by the RFO and authorised by two Councillors using the software package "SignRequest". Invoices are uploaded to SignRequest and sent electronically to two Councillors who authorise them using this package. Once signed and authenticated by the software, the invoices are returned to the RFO. These authorised invoices are stored in the Cloud for future reference. A copy of these authorised invoices is printed off by the RFO and used as a means of reference for a further Councillor to reconcile with the Bank Statements. This reconciliation is performed each month by a member of the Parish Council.</p> <p>Payment of Invoices by internet banking will be set up by the RFO under a two person authorisation banking process. The RFO will raise the payment and this payment will be held and may only be released and paid by a second authorised person. Payment confirmations will be attached to every invoice as proof of payment and proof of two person authorisation.</p> <p>The RFO is authorised to transfer funds from one account to another, and to make external payments to agreed suppliers and is required to present a copy of the bank payment advice to Councillors.</p> <p>A printout from the bank is attached to the invoices stating persons who authorised the payments.</p>
VAT Reclaims	<p>The Clerk/RFO ensures that all invoices are addressed to the Parish Council.</p> <p>The Clerk/RFO maintains a VAT account and ensures that the correct amount of VAT is reclaimed in the year.</p>



Income Controls	All income is received and banked in the Council's name in a timely manner and reported to the Council. The Clerk/RFO ensures that the amount of the Precept received is correct in accordance with the Precept request sent to the Borough Council. The Clerk/RFO ensures that the Precept instalments are received when due.
Financial Reporting	A budget control, comparing actual receipts and payments to the budget is prepared and presented to the Council at least quarterly and recorded in the Minutes.
Budgetary Controls	The budget is prepared in consultation with the full Council, as evidenced in reports and Minutes in advance of the start of the financial year. The precept request is submitted by the deadline dictated by the Borough Council.
Payroll Controls	The Clerk/RFO is paid under PAYE as an employee of the Council. The Clerk's/RFO's salary is set by the Council.
Asset Control	The Clerk/RFO maintains a full asset register. The existence and conditions of assets is checked on an annual basis by the Parish Council. The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.
Internal Audit	The Council annually appoints an independent Internal Auditor who provides a full report to the Council on Records, Procedures, Systems, Internal control, Regulations, Risk Management. The Internal Auditor will have planned and carried out the work necessary to give the assurances called for in Section 4 of the Local Council's Annual Return. The Parish Council annually reviews the scope of work offered by the Internal Auditor.
External Audit	The Council submits an annual return to the External Auditor appointed by the Smaller Authorities' Audit Appointments Ltd (SAAA) in a timely manner.
Home Working	The Clerk/RFO has placed a sealed envelope in a secure place, stating access passwords to her laptop and has shared this location with the LPH Secretary with instructions as to when this information should be accessed.
Risk Assessment	A risk assessment is carried out annually by the Clerk/RFO and presented to a Council meeting where it is approved, signed and minuted as approved by the Council.

Signed  Dated 6th June 2023
Cllr Woollett, Vice-Chair

Next Review Date: June 2024