



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 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.

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

All payments are approved by the Council. Two signatories are required to sign every payment. 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.
- 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	<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/emails/letters ordering the work are matched to purchase invoices where applicable.</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.</p> <p>The signatories should consider each cheque against the relevant invoice, sign the invoice and initial the cheque stub.</p> <p>Payments are listed in the Minutes of the meeting.</p> <p>The Clerk maintains control of the cheque book at all times.</p> <p>Internet banking payments are raised by the Clerk and authorised by two Councillors (invoices are provided for reference).</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 ensures that all invoices are addressed to the Parish Council.</p> <p>The Clerk maintains a VAT account and ensures that the correct amount of VAT is reclaimed in the year.</p>
Income Controls	<p>All income is received and banked in the Council's name in a timely manner and reported to the Council.</p> <p>The Clerk ensures that the amount of the precept received is correct in accordance with the precept request sent to the Borough Council.</p> <p>The Clerk ensures that the precept instalments are received when due.</p>
Financial Reporting	<p>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.</p>
Budgetary Controls	<p>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.</p> <p>The precept request is submitted by the deadline dictated by the Borough Council.</p>
Payroll Controls	<p>The Clerk is paid under PAYE as an employee of the Council and ...</p> <p>The Clerk's salary is set by the Council.</p>
Asset Control	<p>The Clerk maintains a full asset register.</p> <p>The existence and conditions of assets is checked on an annual basis by the Parish Council.</p>



	The adequacy of insurance of the Parish Council's assets is considered annual 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.
Risk Assessment	A risk assessment is carried out annually by the Clerk and presented to a Council meeting where it is approved, signed and minuted as approved by the Council.

Adopted by Pirbright Parish Council	21 st July 2020
Next Review Date	July 2021