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## **DALHAM PARISH COUNCIL**

### **INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2025**

#### **1. SCOPE OF RESPONSIBILITY**

Dalham Parish Council 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.

The council is 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.

#### **2. 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 on-going 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.

#### **3. THE INTERNAL CONTROL ENVIRONMENT**

##### **The Council:**

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

A Councillor is appointed to have responsibility for bank reconciliation checks which includes cross referencing payments made against the payments details in the Council's accounts.

The full council meets six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

##### **Clerk to the Council/Responsible Finance Officer:**

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:**

Almost all payments are made online, and cheques are rarely used. Payments are reported to the council for approval. Two members of the council must sign the Schedule of Payments. The signatories consider each payment against the relevant invoice and sign the invoice. Two councillors sign cheques and initial the cheque stub. The Clerk sets up the online payments procedures and two councillors authorise the payment, subject to the controls set out in the Parish Council's Financial Regulations. Regular payments are approved at the March meeting and the Clerk is authorised to make these payments as and when required. A statement of all payments made is presented to the Parish Council at their next full Council.

##### **Income:**

All income is received and banked in the Council's name in a timely manner and reported to the council.

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

The council reviews its risk assessment annually in March, and regularly reviews its systems and controls.



**Internal Audit:**

The council appoints an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of it's:

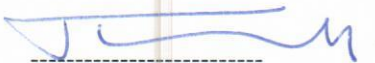
- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

**External Audit:**


Should an external audit be required, the Council's external auditors, submit an annual certificate of audit which is presented to the Council.

**4. 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 Council, which should also approve the Statement of Internal Control. This review takes place in May.



Chairman



RFO/Clerk

Approved and adopted by Dalham Parish Council at the meeting on (date): 8.5.24.

**INTERNAL CONTROL REPORT FOR YEAR ENDING 31 MARCH 2025**

The Accounts & Audit (England) Regulations 2015 aim to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

'The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control.... care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs.'

As part of its internal control, the Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets	Yes	Reviewed annually

Regular maintenance arrangement for physical assets	Yes	Risk assessments carried out annually
Annual review of risk and the adequacy of Insurance cover	Yes	Reviewed and minuted annually
Annual review of financial risk	Yes	Reviewed and minuted annually
Awareness of Standing Orders and Financial regulations	Yes	Reviewed and minuted annually
Adoption of Financial and Standing Orders	Yes	Reviewed and minuted annually
Reporting on performance by Contractors (where appropriate)	Yes	Visually (grass and grounds maintenance)
Annual review of contracts (where appropriate)	n/a	
Regular bank reconciliation, independently reviewed	Yes	Internal control officer
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Detailed report circulated before every meeting
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	
Payments supported by invoices, authorised and minuted	Yes	
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	
Contracts of employment for staff  Contract annually reviewed  Updating records to record changes in relevant legislation  PAYE/NIC properly operated by the Council as an employer	Yes	
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	
Regular financial reporting to Parish Council	Yes	
Regular budget monitoring statements as reported	Yes	6 month official review, monitor



to Parish Council		report at every meeting
Compliance with DCLG Guide <i>Open &amp; Accountable Local Government</i> 2014, Part 4: Officer Decision Reports		Yes
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £100		Yes
Verifying that the Council is compliant with the General Data Protection Regulation requirements  Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>	Yes	
Minutes properly numbered with a master copy kept in for safekeeping	Yes	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	
Adoption of Codes of Conduct for Members	Yes	
Declaration of Acceptance of Office	Yes	

Date of review of system of Internal Controls: ~~10.05.23~~ 8.5.24.

Review of system of Internal Controls carried out by: ~~Mr David Fitch~~ Mark Cobay.

Name MA Cobay Signature [Signature]

Report submitted to Council: (date) 08.05.2024

(minute reference) 9d.

Next review of system of Internal Controls due May 2025.

Additional comments by reviewer: