

Stratfield Mortimer Parish Council

Statement of Internal Control

Review as to the effectiveness of the system of internal controls

Scope and Responsibility

The Council is responsible for ensuring that business is conducted in accordance with the law and proper standards; and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance.

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 ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives; and to evaluate and manage those risks accordingly.

Review of Effectiveness

An annual review is to be undertaken by the Finance and General Purposes Committee which reports directly to the Council; in addition, it is the responsibility of the Finance and General Purposes Committee to review the Risk Register/Tracker on an annual basis.

Question	Answer	Recommendation for Action (if required)	Notes:
Proper Accounting Practices			
• Is the accounts software maintained and up to date?	Yes		Updates are included in the annual fee and Rialtas assist with updates as necessary.
• Is the accounts software arithmetically correct?	Yes		A Data Check ensures the Trail Balance and Nominal Ledger agree.
Standing Orders/ Financial Regulations Adopted and Applied and Payments Controls			
• Has the council formally adopted standing orders and financial regulations?	Yes		Standing Orders were reviewed and adopted on the 08/09/2022. Financial Regulations are in the process of being reviewed.
• Has a Responsible Financial Officer been appointed with specific duties?	Yes		
• Are items or services competitively purchased?	Yes, in general		Any case where it has not been possible to follow Financial Regulations is reported to F&GP
• Has VAT on payments been identified, recorded and reclaimed?	Yes		This is up to date as of the last VAT quarter – Jan – March, 2023. VAT refund was received on the 28 th of April.

Risk Management Arrangements			
• Are payments authorised by Council or in accordance with Financial Regulations?	Yes		
• Do minutes record the Council carrying out an annual risk register/tracker assessment and review?	Yes		The Governance and Management Risk Register was reviewed and adopted by Full Council on the 09/03/2023.
• Is insurance cover appropriate and adequate?	Yes		
• Are internal financial controls documented and regularly reviewed?	A bank reconciliation review and internal control check is undertaken quarterly by councillors.		
Budgetary Controls			
• Has the Council prepared an annual budget in support of it precept?	Yes		
• Is actual expenditure against the budget regularly reported to the Council?	Yes		
• Are there any significant unexplained variances from budget?	No		
Income Controls			

• Is income properly recorded and promptly banked?	Yes		This is checked as part of the bank reconciliation.
• Does the precept recorded agree to the Council Tax authority's notification?	Yes		
• Are security controls relating to cash adequate and effective?	N/A		No cash is handled.
Payroll Controls			
• Do all employees have contracts of employment with clear terms and conditions?	Yes		
• Do salaries paid agree with those approved by the Council?	Yes		Monthly payroll is checked by the Chairman.
• Are other payments to employees reasonable and approved by the Council?	Yes		
• Have PAYE/NIC been properly operated by the Council as an employer?	Yes		
Asset Controls			
• Does the council maintain a register of all material assets owned or in its care?	Yes		The Asset Register for the FY 2022/23 was reviewed and approved by Full Council on the 13/04/2023.

• Are the asset and investment registers up to date?	Yes		As above.
• Do asset insurance valuations agree with those in the asset register?	Yes – pillbox.		
Bank Reconciliation			
• Is there bank reconciliation for each account?	Yes		
• Is bank reconciliation carried out regularly and in a timely fashion?	Yes, monthly		
• Are there any unexplained balancing entries in any reconciliation?	No		
• Is the value of investments held summarised on the reconciliation?	Yes		The bank account opening and closing balances always form part of the reconciliation.
Has the bank reconciliation statement for each account been checked and verified by a councillor, in accordance with Financial Regulations.	Yes		
Year End Procedures			

• Are year end accounts prepared on the correct accounting basis (Receipts and Payments / Income and Expenditure)?	Yes		
• Do accounts agree with the cashbook?	Yes		
• Is there an audit trail from underlying financial records to the accounts?	Yes		

General comments:

Review conducted by the Finance and General Purposes Committee at the meeting on:

Date of next review:

Signed **Dated**

Chairman of meeting.