

Darsham Parish Council

Statement on Internal Control 2023/24

Scope of Responsibility

Darsham 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.

Under the Finance and Audit Regulations, the Council must carry out a review of its internal controls on an annual basis. The regulations require that the Council carry out a review of their effectiveness and to consider the findings of the review.

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 ongoing 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 being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Internal Control Environment

The Council reviewed its obligations and objectives and set a precept for 2023/24 which was requested from East Suffolk Council in January 2023. The Council comprised nine Members at the start of the financial year. Members will have been summoned to attend a minimum of twelve full Council meetings during the year when progress against its aims and objectives are reviewed by receiving reports from the Parish Clerk. The Council monitors its income and expenditure and reviews a reconciliation of its main bank accounts at Unity Trust Bank on a quarterly basis. Reviews of internal controls, systems and procedures are carried out at regular intervals.

The Parish Clerk is the Responsible Financial Officer, acts as the Council's advisor, administers the Council's finances and advises on day to day compliance with laws and regulations and the management of risk.

All payments are reported to the Council for approval. Two Members of the Council are required to approve each bank transfer prepared for payment. All receipts and payments have the benefit of supporting documentation which is retained by the Responsible Financial Officer. Each item of expenditure identifies the power used by Council and is supported in the relevant meeting's minutes.

Three of the Council's current nine Members have been provided with the authority to approve a completed bank transfer. Signatories are required to check each payment against the relevant invoice, sign the payments schedule. All income received is banked in the Council's name in a timely manner and reported. Recoverable VAT is claimed from HMRC by the Responsible Financial Officer at the end of the financial year.

The Council reviews its risk assessment on an annual basis and reviews its systems and controls at regular intervals. The Council will appoint an independent internal auditor at its meeting on 9 January 2024 to report to the Council on the adequacy of its systems, records, regulations, procedures, internal control and risk management. The external auditor submits an annual certificate of audit at the end of the audit process.

Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control and to approve the Statement on Internal Control.

Chair
12 March 2024

Parish Clerk & Responsible Financial Officer
12 March 2024