

EAST TISTED PARISH COUNCIL

STATEMENT OF INTERNAL CONTROLS

1 Introduction

East Tisted Parish Council (ETPC) 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 as well as being used economically, efficiently and effectively. In discharging this overall responsibility, the Council is also 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 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:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically.

3 The Council's Internal Controls

i) Decisions

The Council has elected a Chair who is responsible for the smooth running of meetings and appointed a Parish Clerk to advise the Council for ensuring that all Council decisions are lawful. The Parish Clerk is also the Responsible Financial Officer.

ii) Responsibility

The Council meets at least quarterly and reviews and recommends all ETPC's financial matters.

The Council carries out regular reviews of its internal controls, systems and procedures.

iii) Budgets and Precepts

ETPC reviews its obligations, objectives and projects before determining the level of precept and individual budgets for the following financial year. All Councillors are invited to review the draft budget before being presented to full Council at its December meeting.

iv) Management of Financial Records

ETPC employs a Parish Clerk who acts as the Responsible Financial Officer where specified in law. The Parish Clerk holds qualified Clerk's status and is responsible for advising the Council, processing payments and preparing financial records.

The Parish Clerk is responsible for managing the recording of the financial payments/income, manage ETPC's budgets, generate reports, reconcile

accounts, complete the end of year audit papers and to submit VAT returns to HMRC.

v) Payments

In most cases, invoices are input into the recording system for decision before payments are made. Where urgent payments are required to meet contractual obligations, the Clerk may seek approval from cheque signatories by email and payments are reported to the next available meeting.

Payments are made by BACS from ETPC's main current account, Unity Trust. Payments are first set up by the Parish Clerk then authorised by two Councillors with cheque signatory rights and ETPC aims to rotate those Councillors authorising payments regular basis. There are 4 Councillors with approval rights who are agreed at each annual council meeting.

ETPC has agreed a policy not to accept cash payments. No cash is stored in the premises and no member of staff is expected to handle or transport cash.

vi) Bank Reconciliations

The Parish Clerk carries out monthly bank reconciliations on all accounts and these are reported to the council at ETPC meetings and signed by the Chair, or other committee member agreed by resolution.

vii) The Council as an Employer

The council is responsible for monitoring the Staffing budget including recommending the Clerk's salary which is then agreed at the ETPC meeting.

ETPC is registered with HMRC and uses the DM Payroll system to calculate payments. Monthly salary payments are processed by BACS.

Staff may reclaim any purchases made on the Council's behalf, subject to the purchase having been previously been agreed by an allocated budget.

Staff and Councillors may claim reasonable and justifiable expenses incurred in line with ETPC's policies on claiming expenses, including as a result of travelling to meetings/training/events which have been agreed by the Clerk or Chair, as line manager:

- For cars - 45p per mile up to 10,000 mile.

Expense receipts are presented at a ETPC meetings for approval and reimbursement by the Parish Clerk or the Chair of the Council.

viii) Management of Risk

ETPC has a Council Risk Assessment which is reviewed and agreed by full Council every year.

ETPC's insurance cover is currently provided by Zurich Ltd which are reviewed annually to ensure adequate cover.

ETPC appoints an independent Internal Auditor, currently 'Do The Numbers', who reports to the Council on the adequacy of its: financial records, procedures, systems, internal control and management of risk. This appointment is reviewed and agreed annually.