

# IDEFORD PARISH COUNCIL

## STATEMENT OF INTERNAL CONTROL

### 1. SCOPE OF RESPONSIBILITY

Ideford Parish Council ("the Council") is a local authority funded primarily by public money. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must safeguard public funds, ensure proper accounting, and utilise resources economically, efficiently, and effectively. In fulfilling this overarching responsibility, the Council must ensure the establishment and maintenance of a robust system of internal control, which facilitates the effective exercise of its functions, including arrangements for risk management.

### 2. PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to an acceptable level, rather than eliminate all risks of failing to achieve the Council's objectives. It can therefore provide only reasonable, not absolute, assurance of effectiveness. This system is an ongoing process designed to:

- Identify and prioritise risks related to achieving the Council's policies, aims, and objectives.
- Assess the likelihood and potential impact of these risks.
- Manage risks efficiently, effectively, and economically.

The internal control system was in place for the year ending 31 March 2024 and remains effective up to the date of approval of the annual accounts. It aligns with proper practices as outlined in the Governance and Accountability for Smaller Authorities in England Practitioners' Guide (March 2019 Edition).

### 3. THE INTERNAL CONTROL ENVIRONMENT

#### 3.1 The Council

The Council reviewed its obligations and objectives, approving the budget for the 2024-2025 financial year at its meeting on 13<sup>th</sup> February 2025 (Minute Ref: 151.3). At this meeting, the Precept for was also set, with a unanimous resolution confirming an increase to the amount of £9725.00

The full Council meets monthly (except in January and August) to monitor progress against objectives, financial systems, procedures, and budgetary control. Financial matters are reviewed regularly through reports from the Parish Clerk and Responsible Financial Officer (RFO).

No expenditure can be incurred beyond the approved budget unless a virement is authorised by the Council. The Clerk may incur necessary expenditure in cases of extreme urgency, within the limits set by the Council's Financial Regulations and Scheme of Delegation. Such actions must be reported to the Council at the earliest opportunity.

The Council conducts periodic reviews of its internal controls, systems, and procedures. A designated Councillor has been appointed to carry out independent checks of the Clerk and RFO's work.

#### 3.2 Clerk to the Council / Responsible Financial Officer

The Council appoints a Clerk who also serves as the RFO. The Clerk advises the Council, administers its functions, ensures compliance with legal and regulatory requirements, manages risks, and oversees financial operations. The Clerk also provides guidance to ensure that Council procedures, control systems, and policies are followed.

#### 3.3 Payments

- All expenditure must be authorised by the Council, a delegated committee, or the Clerk (in consultation with the Chair) where delegated authority applies.
- Payment records are available for inspection by any Councillor upon request.
- All transactions are recorded in the Council's accounting system.
- Payment and receipt details, along with bank reconciliations, are reviewed at Council meetings. Quarterly budget reports are circulated to Councillors.
- Dual authorisation applies to BACS and Direct Debit payments.
- Direct Debits and Standing Orders are reviewed annually or upon changes in circumstances.

#### 3.4 Contracts

Contractual procedures are governed by the Council's Standing Orders and Financial Regulations.

### 3.5 Risk Assessments and Risk Management

The Council performs regular risk assessments covering health and safety, employment, and insurance-related risks. The Clerk or Councillors report on risk matters for Council consideration and action.

The Council maintains an Risk Register and an Asset Register. Since May 2020, electronic files are backed up monthly via secure cloud storage (Google Drive).

### 3.6 Internal and External Audit

- The Council has appointed Mrs. Dennis as the Independent Internal Auditor, who reviews the adequacy of records, procedures, systems, internal controls, and risk management processes.
- The appointed External Auditor for the Council under the Smaller Authorities Audit Appointments System Ltd is PKF Littlejohn.

## 4. REVIEW OF EFFECTIVENESS

The effectiveness of the internal control system is reviewed regularly through:

- Ongoing monitoring by the Parish Clerk/RFO.
- Independent reviews conducted by the Internal Auditor.
- External audits where applicable.
- Oversight by designated Councillors responsible for internal controls.

Concerns regarding internal control effectiveness are promptly investigated, and corrective actions are implemented where necessary.

The Council, through the RFO, continuously reviews the performance of the Internal Audit function, ensuring that it meets expected standards. The Council is satisfied that its arrangements are effective and fit for purpose.

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**Approved by Ideford Parish Council on 13<sup>th</sup> February 2025**

**Signed:** \_\_\_\_\_ (Chair)

**Signed:** \_\_\_\_\_ (Clerk/RFO)

**Date:** \_\_\_\_\_