

Stonesfield Parish Council

Statement of Internal Financial Control

1. Scope of Responsibility

Stonesfield Parish Council (the 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.

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 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; reducing it 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

3.1 The Council

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year in its November, December and January meetings. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports from the Parish Clerk. The Chairman (or at least one other nominated council) also manages the budget and has access to the finance system (Scribe).

3.2 The Clerk/Responsible Financial Officer

The Council has appointed a Clerk of the Council who acts as the Council's advisor and administrator. The Clerk is also the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

3.3 Payments

All payments are approved by Council at council meetings. Two Members of Council must sign every cheque OR authorise bank payments. The Chairman also oversees all budget / finance in addition to the clerk / RFO.

The council will move to bank payment as the preferred method of payment in the financial year 2023/24 and will endeavour to have PAYE, salary and pension statutory payments paid via standing order to ensure compliance and meeting payment due dates.

3.4 Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of its activities and regularly reviews its system and controls.

3.5 Internal Audit

The clerk for the council will annually appoint an independent, competent internal auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters.

3.6 External Audit

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 reviews of the effectiveness of the system of internal control. Stonesfield Parish Council annual ensures:

- The independent internal auditor reviews the Council's systems of internal control
- The Council's external auditor who makes the final check using the annual return, a form completed and signed by the RFO, the chairman and internal auditor takes place annually.

5. Significant Internal Control Issues

The Council strives for the continuous improvement of the system it has designed for internal control and will endeavour to work with the clerk and RFO to address any issues and weaknesses raised and reported during the review or audit processes.