UPTON
PARISH COUNCIL

STATEMENT ON INTERNAL CONTROLS

1. SCOPE OF RESPONSIBILITY

Upton 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.

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 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 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

a. The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs all minutes of the Council once approved.

b. Bank reconciliations and statements and financial monitoring reports (showing expenditure v budget) are presented to the Council quarterly and once approved, are signed by the Chairman and one other Councillor.

c. No Petty Cash is held.

d. The Council operates a dual authorisation online banking system. The Clerk uploads payment and two Councillors are required to authorise before a payment is released. On the rare occasions that cheques are used, two Councillors are required to sign and initial cheques, cheque stubs and invoices.

e. The Council reviews its obligations and objectives and approves budgets for the following year at its November and December meetings. The January meeting of the Council approves the level of precept for the following financial year.

f. The Council meets at least eleven times each year and monitors progress against its aims and objectives regularly by receiving relevant reports from the Parish Clerk.

g. The Council conducts annual reviews of its internal controls, systems and procedures.

3.2. Clerk to the Council/Responsible Financial Officer

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is 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 polices are adhered to.

3.3. Payments

All payments are reported to the Council for approval/or noting (where payments are made in line with delegated authority). The Clerk will upload payments to the online banking system for approval by two Councillors.

3.4. Risk Assessments / Risk Management

The Council conducts annual risk assessments in respect of actions and regularly reviews its systems and controls.

3.5. Internal Audit

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

a) Records
b) Procedures
c) Systems
d) Internal control
e) Regulations
f) Risk management
g) Reviews

Ine Internal Auditor provides a written report (in addition to completion of the AGAR) which is reviewed by the Council. The effectiveness and scope of the internal audit system is reviewed annually.

3.6. External Audit

The Council's External Auditors, BDO, submit an annual Certificate of Audit, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

a) The Full Council
b) The Clerk to the Council/Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks
c) The independent Internal Auditor who reviews the Council's system of internal control
d) BDO, the Council's external auditors, who make the final check using the Annual Return (AGAR) and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. BDO issue an annual audit certificate
e) The number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

5.1. No significant internal control issues were identified during the 2022-2023 financial year.

5.2. Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process