

HARPSDEN PARISH COUNCIL
STATEMENT OF INTERNAL CONTROL
SEPTEMBER 2023

Harpsden Parish Council (the Council) is a local authority funded largely by public money and is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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.

The Council is required to review at least annually the effectiveness of its system of financial control. This is informed by the work of the internal auditor, and any comments made by the external auditors in their annual report.

The Purpose of the System of Internal Control

The Council's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them effectively and economically.

The system of internal control accords with the practices set out in the **Governance and Accountability in Local Councils: A Practitioners' Guide (2023 edition)**.

The Internal Control Environment

The Council has adopted Financial Regulations which set parameters for the Council's financial operations. The Council's Clerk is the Responsible Finance Officer (RFO) who implements financial systems and controls. The Council has tasked Cllr Matt Leeman with overseeing banking and invoice paying as a failsafe in the event of the Clerk making an error.

Banking services are provided by Barclays Bank. The Council currently has £400,000 of CIL money invested in CCLA and a further £100,000 of CIL money invested with Cambridge & Counties Bank (CHECK). An independent internal audit service was provided by Jane Olds and the Council is appointing a new internal auditor Muberry & Co for a period of one year. Council's internal monitoring is undertaken by the Clerk as RFO with bi-monthly reporting to Council.

Any issues raised by the Internal Auditor are reported in writing to the Council and agreed actions are monitored to ensure that they have been carried out and actioned within agreed timescales. If necessary, the Council would seek and receive appropriate legal, insurance, and health & safety advice as appropriate to manage risk.

The Council is responsible for:

- Ensuring compliance with established policies, procedures, laws, and regulations
- Identification and management of risk
- Ensuring that best value and value for money are achieved in all purchases
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of the Council

Review of Effectiveness

The Council, through the RFO, has responsibility for conducting a review of the effectiveness of the system of internal control and the internal audit process.

The review of the effectiveness of the system of internal control is monitored by:

- The work of the RFO.
- The Clerk is responsible for administering the Council's finances, for advising on compliance with laws and regulations to which the Council is subject, and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.
- The Clerk monitors financial systems and procedures, budgetary control, and carries out regular reviews of financial matters. Financial matters, budgets and minutes of Council meetings are circulated to all members of the Council. The Council meets 6 times each year. It monitors progress by receiving relevant reports from the RFO.
- The work of the Internal Auditor. The Internal Auditor, an independent person specialising in local council matters, reports to the Council on the adequacy of its records, procedures, systems, internal control, and risk management.
- The External Auditors in their annual report.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.

Approved and adopted: 18th September 2023

Kester George, Chairman

Anne Marie Scanlon, Clerk and RFO

REVIEW DATE: SEPTEMBER 2023

