

Beighton Parish Council

Annual Review of the Effectiveness of Internal Control

The Accounts and Audit Regulations 2003:

“(1) The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(2) The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control”

Internal Control:

The system of internal control is designed to reduce the financial risk of the Parish Council to an acceptable level.

Financial Management:

The Parish Council has approved a set of financial standing orders which set out the way that Council's finances are to be managed. These are reviewed and approved once a year.

Two councillors, out of three named signatories, must sign all cheques and other financial documents. Online payments may be made by the clerk, following authorisation by two out of three named signatories.

The cheque signatory shall check the supporting document at the time of signing, to ensure that the cheque or online payment agrees with the amount of the invoice and the payee named on the invoice. The cheque stub should also be initialled to record that the name on the cheque stub is the same as that on the cheque. The list of online payments will be agreed to supporting documentation and will be signed by the signatories.

At the following Parish Council meeting, a councillor who is not a bank signatory will check the online payments to the bank statements to ensure the payments were made in accordance with the Parish Council approval.

A councillor shall review the clerk's bank reconciliation **every two months**, including at the year-end, and shall sign the reconciliation as evidence of this check. **A councillor will also carry out some checks on the accounts such as checking payments in the cashbook to supporting documentation.**

The clerk is the responsible financial officer and is responsible for the day-to-day financial management of the Council. The duties of the responsible financial officer are reviewed and approved once a year. The RFO shall report all payments to the Council.

In January, the Council shall review the budget in detail and shall decide on the precept for the forthcoming year.

Internal audit:

The Council has appointed an independent and competent internal auditor and carries out a review of the effectiveness of the internal audit once a year. The auditor reports his findings to the full Council and completes Section 4 of the Annual Return.

External audit:

The Council's external auditors are **PKF**, who complete Section 3 of the Annual Return, **unless the Council declares itself to be exempt from external audit**; their comments and recommendations are reported to the full Council.

Review:

This review shall be carried out once a year and recorded in the Council's minutes.

Signed:.....

Chairman

Signed:

Responsible Financial Officer

Dated: 14th May 2019