

Annual Review of the Effectiveness of the Internal Control Environment

The system of internal control is based within a framework comprising of the Code of Conduct, internal regulations (including but not limited to financial regulations) and administrative procedures.

The key elements of the Council's internal control environment are:

- Standing Orders, Financial Regulations and other policies covering a range of functions are implemented and reviewed regularly. Compliance with policies, procedures, laws and regulations is the responsibility of the Parish Council together with the Parish Clerk.
- The Council has undertaken a Financial Risk Assessment in order to provide a comprehensive framework for the management of risk throughout the council.
- The Council undertakes a thorough review each year of its insurance schedule.
- The Council has measures to prevent and detect fraud, outlined below.
- Through reviews by internal and external auditors and other external agencies, the Council constantly seeks ways of ensuring continuous improvement in the way in which its functions are exercised.

1. Procedures to ensure the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible

The Clerk will enter invoices received onto the accounts record monthly. Following relevant checks, all outstanding invoices are put to the next Parish Council meeting for authorisation and payment.

Income is recorded and banked on a monthly basis by the Clerk and is undertaken in accordance with the Financial Risk Assessment.

2. Procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct lost records

When orders are placed with suppliers a record is made of the cost at the point of ordering. This includes the agreed amount, VAT and delivery charges. Where possible this is recorded in the Parish Council minutes.

On receipt of an invoice the Clerk checks this against the agreed amount and puts it to the Parish Council.

The schedule of income and expenditure is prepared by the Clerk for scrutiny by the Parish Council.

All invoices, whether received by post or by email, are retained in hard copy for audit.

3. The division of responsibilities in relation to transactions

The Clerk will check the invoices against purchase order.

Payments made by BACS using online banking involve a three-step process:

- (1) The Clerk sets up the payments within the online banking facility.
 - (2) Payments are authorised by Parish Council and signed by two signatories
 - (3) Two bank signatories then confirm either in person or by email that they have seen and approve the list of online payments on the banking system.
- Upon approval payments are sent.

4. Procedures to ensure that uncollectable amounts are outlined by the Clerk before being put to the Council to be written off and approvals are shown in the accounting records

Any bad debts are put to the Parish Council at the end of the financial year and recorded in the minutes.

5. Measures to show that risk is properly managed

The financial risk assessment is reviewed annually by the Parish Council.

Review History	To be reviewed annually
To Parish Council	16/9/19
To Parish Council	15/2/2021
Date of next review	Feb 2022