

Morval Parish Council Statement of Internal Controls

Introduction:

A duty is imposed under Regulation 4 of the Accounts and Audit Regulations, 2003 on local councils to ensure “that the financial management of the body is adequate and effective and that the body has a sound system of internal control”.

To meet this requirement, the parish council has the following internal controls in place and will at least annually and before audit, review them to ensure that they remain effective.

Internal Controls:

- **Financial Regulations document:**
 - Model version as prepared by NALC reviewed by the council and adopted.
 - Reviewed annually usually between the months of January and March.

- **Asset Control:**
 - Asset register compiled and kept up to date by the clerk and presented to the council alongside the end of year financial accounts.
 - The existence and condition of assets is checked at least on an annual basis by the clerk.

- **Insurance:**
 - Reviewed annually by the council and the clerk.
 - Robustness of insurance providers is checked as part of the review.

- **Finance and Bank Accounts:**
 - Income and expenditure account and monthly budget record maintained by the clerk and checked against the bank statements which are received on a monthly basis.
 - Income and expenditure account presented to council at each meeting as a “for information” table but checked by the chair or the non-signatory councillor on a two monthly basis for reconciliation against the bank statement.
 - Any found discrepancies with finance are reported to the council at the next meeting.
 - Independent internal auditor appointed and annual external audit completed and reported to the council and the public.
 - Payments from the current account authorised by the council and the cheques signed by two signatories.
 - Clerk has restricted access to banking matters and cannot move money between accounts or sign cheques.
 - VAT applied for annually.

- **Budget Control:**
 - An annual budget is agreed by the council for the following financial year at the December meeting.
 - The clerk provides each councillor with an ongoing budget account record at each monthly meeting held so that over spends can be identified at the earliest possible time.

- **Risk Assessment:**
 - The clerk is responsible for maintaining a risk assessment record of all assets owned and all activities carried out as part of the council’s business.
 - A robust ongoing risk assessment process occurs as required.
 - A review of the risk assessment record is carried out at least annually by the council and the clerk.

Adopted by Morval Parish Council at its meeting held on the 4th March 2015 under agenda item 10.4.2
3rd February 2016 – reviewed by council