

WESTON WITH GAYTON PARISH COUNCIL

INTERNAL CONTROLS

1. SCOPE OF RESPONSIBILITY

The Accounts and Audit Regulations 2003 states that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of WGPC's functions and which includes arrangements for the management of risk

Weston with Gayton Parish Council (WGPC) 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, WGPC is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of WGPC's functions and which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

Internal control is designed to reduce financial risk to WGPC

The system of internal control is designed to ensure that WGPC's activities are carried out properly and as intended. Internal controls are set up by the Responsible Finance Officer, but it falls on WGPC members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities and the identification of risk including regular evaluation of the likelihood of those risks and the potential impact. All risks should be managed efficiently, effectively and economically.

3. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

3.1 WGPC:

- The WGPC Chairman is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the last page of the minutes.
- Decisions should be made within the Standing Orders and Financial Regulations laid down and approved by WGPC.
- WGPC reviews its obligations and objectives in line with the budget setting process and approves budgets for the following year at its December/January meeting. The subsequent precept request is approved and submitted in January.
- Monthly finance statements including details of all payments to be approved are presented to each WGPC meeting.
- A quarterly position against budget statement is also reviewed at the relevant WGPC meetings.
- Payments are made in accordance with Standing Orders and Financial Regulations.

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- Two councillors (out of six named signatories) must sign all cheques. The signatories will also initial the cheque stubs. The signatories will ensure that the cheque agrees with the amount of the invoice and the payee named on the invoice. The Clerk / RFO may not authorise payments, but a resolution from WGPC will agree the receipts and payments made for each month.
- At the year end, the Chairman shall ensure that the cash book totals are reconciled to the year-end bank statement and shall sign the cash book and the year end bank statement as evidence of this check.

3.2 Clerk to WGPC / Responsible Financial Officer:

WGPC has appointed a Clerk to WGPC who acts as WGPC's advisor and administrator. The Clerk is WGPC's Responsible Financial Officer and is responsible for administering WGPC's finances. The Clerk is responsible for the day to day compliance with laws and regulations that WGPC is subject to and for managing risks. The Clerk also ensures that WGPC's procedures, control systems and policies are maintained.

- The duties of the Clerk / RFO are laid down in a Job Description which is reviewed annually.
- The RFO submits all the requested information to the External Auditor by the required date
- The RFO arranges for the public notices to be displayed
- The RFO will retain all relevant documents relating the financial year for 10 years (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments; accounts and supporting information)

3.3 Internal Auditor

WGPC has appointed an Independent Internal Auditor who will report to WGPC on the adequacy of its:

- Records
 - procedures
 - systems
 - internal control
 - regulations
 - risk management
 - reviews
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- ❖ The effectiveness of the internal audit is reviewed annually. WGPC approves the appointment of the Internal Auditor, who must be competent and independent. WGPC advise of the scope of the work required.
 - ❖ The scope of the work (and the charge) of the Internal Auditor is reviewed annually and the review and the appointment is minuted.

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- ❖ The Internal Auditor will inspect the accounts at the year-end (prior to completion of the Annual Return pages 2 and 3) and will complete page 5 of the Annual Return
- ❖ The Internal Auditor will write a separate report to WGPC (a copy of which is sent to the Chairman) detailing any findings they might have.
- ❖ The report of the Internal Auditor is copied to all members of WGPC and considered as an agenda item at the next meeting. Recommendations from the report will be recorded in the minutes.

3.4 External Audit:

WGPC's External Auditors Mazars LLP, submit an External Auditor's Report, which is presented to WGPC.

4. REVIEW OF EFFECTIVENESS

WGPC 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 and any issues identified by:

- Full Council – identification of new activities
- Clerk to WGPC / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks – risks identified
- Internal Auditor who reviews WGPC's system of internal control. The auditor will make a written report to WGPC (in addition to Section 4 Report in the Annual Return.) – action arising from reports
- WGPC's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. The External Auditor issues an annual audit certificate – action arising from Audit Report.

5. EXTERNAL AUDIT OPINION

There were no matters raised on the Annual Return for the financial year to 31st March 2017.

Drafted for approval by full Council February 2018

Update of Policy Due March 2019