

**MISTLEY PARISH COUNCIL**

**INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2024**

**1. SCOPE OF RESPONSIBILITY**

Mistley Parish Council 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.

The Council is 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.

**2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

**3. THE INTERNAL CONTROL ENVIRONMENT**

**The Council:**

The Council reviews its obligations and objectives and approves budgets for the following year at its November meeting. The December meeting of the Council approves the level of precept for the following financial year.

The Council has appointed a Finance Committee. The Committee meets at least two times during the financial year. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committee are circulated to all members of the Council.

The full Council meets eleven times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk. The Council receives and considers A Councillor bank reconciliation checks at each full meeting.

The Council carries out regular reviews of its internal controls, systems and procedures. Each January a Financial Risk Assessment is carried out by Councillors. Details in Minute Book, on website and available upon request.

**Clerk to the Council/Responsible Finance Officer:**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for advising on the day-to-day compliance with laws and regulations that the Council

is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

**Payments:**

All payments are reported to the Council for approval. Two members of the Council must initial every invoice or order for payment. The signatories consider each payment against the relevant invoice, initial the invoice. The Council normally makes payments by bank transfer, direct debit or standing order. On the rare occasion when a cheque is issued, the cheque is signed by two Councillor signatories and is also initialled by two Councillors on the cheque counterfoil. All authorised bank signatories are members of the Council. No officer of the Council can sign cheques. Where delegation permits, as per s.101(1)(a) of the Local Government Act of 1972 and the Council's Financial Regulations, a report will be provided to the next full Council and this is via the schedule of accounts for payment approval which comes to each full Council meeting for agreement.

**Income:**

All income is received and banked in the Council's name in a timely manner and reported to the Council at each full Council meeting via the monthly bank reconciliation reports and quarter finance reports.

**Risk Assessments/Risk Management:**

The Council reviews its risk assessment annually in January, and regularly reviews its systems and controls.

**Internal Audit:**

The Council appoints an independent and competent internal auditor who reports to the Council on a half yearly basis on the adequacy of it's:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

**External Audit:**

The Council's external auditors submit an annual certificate of audit which is presented to the Council.

**4. REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement of Internal Control.



Chairman



RFO/Clerk

Approved and adopted by Mistley Parish Council.

Meeting date:

## MISTLEY PARISH COUNCIL

### INTERNAL CONTROL REPORT

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

'The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control.... care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs.'

As part of its internal control, Mistley Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – <u>check documents and initial</u>
	<u>Yes or No</u>	
Ensuring an up to date Register of Assets	Yes  Yes	<a href="#">Assets Register Mistley Parish Council.pdf</a>  <a href="#">MPC-Inventory-of-Street-Lighting.pdf</a> <a href="#">(mistleyparishcouncil.gov.uk)</a>
Regular maintenance arrangement for physical assets	Yes  Yes Yes Yes	<a href="#">Tree Risk Assessment and Management in Mistley.pdf</a> <a href="#">(mistleyparishcouncil.gov.uk)</a>  <a href="#">Risk Assessment</a> <a href="#">(mistleyparishcouncil.gov.uk)</a>  <a href="#">MISTLEY PARISH COUNCIL</a>  <a href="#">Mistley PC Council Minutes</a> <a href="#">(mistleyparishcouncil.gov.uk)</a>  Parish Council Meeting 25 September 2023.





Annual review of risk and the adequacy of Insurance cover	Yes	Minute Number 9 I) Financial Matters.
	Yes	<a href="https://mistleyparishcouncil.gov.uk">Mistley PC Council Minutes (mistleyparishcouncil.gov.uk)</a> Parish Council Meeting 25 September 2023. Minute Number 12 Risk Assessments.
Annual review of financial risk	Yes Yes	<a href="https://mistleyparishcouncil.gov.uk">Risk Management Strategy MPC 2.pdf (mistleyparishcouncil.gov.uk)</a> <a href="https://mistleyparishcouncil.gov.uk">Financial Regulations MPC.pdf (mistleyparishcouncil.gov.uk)</a>
Awareness of Standing Orders and Financial regulations	Yes Yes	<a href="https://mistleyparishcouncil.gov.uk">Standing Orders of Mistley Parish Council 2.pdf</a> <a href="https://mistleyparishcouncil.gov.uk">Financial Regulations MPC.pdf (mistleyparishcouncil.gov.uk)</a>
Adoption of Financial and Standing Orders	Yes	<a href="https://mistleyparishcouncil.gov.uk">Council Minutes   Mistley Parish Council</a> Annual Parish Council Meeting – 20 May 2024. Minute Number 12.
Regular reporting on performance by Contractors	Yes	<a href="https://mistleyparishcouncil.gov.uk">Council Minutes   Mistley Parish Council</a> Parish Council Meeting – 11 March 2024. Minute Number 14 Grounds Maintenance.
Annual review of contracts (where appropriate)	Yes	<a href="https://mistleyparishcouncil.gov.uk">Council Minutes   Mistley Parish Council</a> Parish Council Meeting – 11 March 2024. Minute Number 14 Grounds Maintenance.

Internal Control Statement and Report to Council.

Regular bank reconciliation, independently Reviewed	Yes	At every meeting by both bank signatories and non-bank signatories.  <a href="#">Governance documents   Mistley Parish Council</a>  Risk Management Scheme.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	<a href="#">Governance documents   Mistley Parish Council</a>

		Risk Management Scheme
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	<a href="#">Council Minutes   Mistley Parish Council</a>  Parish Council Meeting – 24 April 2024  Minute Number 8 Financial Matters
Payments supported by invoices, authorised and minuted	Yes	Invoices in hard copy finance file.  Schedule of Payments at end of Minutes.  Annual Parish Council Meeting – 20 May 2024.  Minute Number 17 a) Financial Matters.  Payments detailed at end of Minutes.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	<a href="#">Governance documents   Mistley Parish Council</a>  Risk Management Scheme.  Financial regulations are in place. Bank statements and bank recs checked at each meeting. Annual robust Councillors internal audit check annually by non-bank signatory Councillor.

Internal Control Statement and Report to Council.

Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	yes	<a href="#">Governance documents   Mistley Parish Council</a>  Risk Management Scheme.  Financial regulations are in place. Bank statements and bank recs checked at each meeting. Annual robust Councillors Internal audit check annually by non-bank signatory Councillor.  <a href="#">Audit Notice yr end 31 Mar 2024.pdf (mistleyparishcouncil.gov.uk)</a>
Contracts of employment for staff  Contract annually reviewed  Updating records to record changes in relevant legislation	yes	Yes.  Yes. In confidential minutes.  Staff Handbook.
PAYE/NIC properly operated by the Council as an employer	yes	Yes. Details in hard copy finance file. SALC is the Council's payroll contractor.
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	yes	Details in receipts and payments reports.  <a href="#">Council Minutes   Mistley Parish Council</a>  Annual Parish Council Meeting – 20 May 2024.  Minute Number 17 h) Financial Matters.
Regular financial reporting to Parish Council	yes	Financial regulations are in place. Bank statements and bank recs checked at each meeting.  <a href="#">Council Minutes   Mistley Parish Council</a>  Annual Parish Council Meeting – 20 May 2024.  Minute Number 17 d) Financial Matters.




Regular budget monitoring statements/bank reconciliations/quarter finance reports as reported to Parish Council	Yes	<a href="#">2024-25-Annual-Budget-By-Centre-MPC.pdf (mistleyparishcouncil.gov.uk)</a>  Bank statements and bank recs checked at each meeting. Quarter finance reports are issued.
Compliance with DCLG (The Department for Communities and Local Government) Guide <i>Open &amp; Accountable Local Government</i> 2014, Part 4: (Transparency)	Yes	<a href="#">AGAR and accounts   Mistley Parish Council</a>  <a href="#">Audit Notice yr end 31 Mar 2024.pdf (mistleyparishcouncil.gov.uk)</a>
Officer Decision Reports	Yes	<a href="#">Scheme of Delegation MPC.pdf (mistleyparishcouncil.gov.uk)</a>
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	<a href="#">Council Minutes   Mistley Parish Council</a>  Annual Parish Council Meeting – 20 May 2024.  End of Minutes. (Parish Council falls outside of Transparency Code currently).
Verifying that the Council is compliant with the General Data Protection Regulation requirements	Yes	<a href="#">GDPR contractors 2.pdf (mistleyparishcouncil.gov.uk)</a>
Are the following in place: <ul style="list-style-type: none"> <li>• Audit / Impact Assessment</li> <li>• Privacy Notices</li> <li>• Procedures for dealing with Subject Access Requests</li> <li>• Procedure for dealing with Data breaches</li> <li>• Data Retention &amp; Disposal Policies</li> </ul>	Yes  Yes  Yes  Yes  Yes	<a href="#">General Data Protection Regulation Policy Statement 2.pdf (mistleyparishcouncil.gov.uk)</a>  <a href="#">Privacy Notice 2.pdf (mistleyparishcouncil.gov.uk)</a>  <a href="#">Subject Access Request Policy 2.pdf (mistleyparishcouncil.gov.uk)</a>  <a href="#">Document Retention Policy 2.pdf (mistleyparishcouncil.gov.uk)</a>  <a href="#">Publication Scheme (mistleyparishcouncil.gov.uk)</a>
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	<a href="#">Council Minutes   Mistley Parish Council</a>  Annual Parish Council Meeting – 20 May 2024.  Minute Number 15.

# Internal Control Statement and Report to Council.

Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	<a href="#">Council Minutes   Mistley Parish Council</a> Annual Parish Council Meeting – 20 May 2024. Minute Number 3.
Adoption of Codes of Conduct for Members	Yes	<a href="#">Council Minutes   Mistley Parish Council</a> Annual Parish Council Meeting – 20 May 2024. Minute Number 4.
Declaration of Acceptance of Office	Yes	<a href="#">Council Minutes   Mistley Parish Council</a> Annual Parish Council Meeting – 20 May 2024. Minute Number 3.

Date of review of system of Internal Controls.....11<sup>th</sup> July 2024

Review of system of Internal Controls carried out by:

Name.....Sharon Robinson.....Signature.....

Report submitted to Council (Date).....12/08/2024

(Minute reference).....9 e)

Next review of system of Internal Controls due.....July 2025

Additional comments by reviewer: