

ODCOMBE PARISH COUNCIL

REVIEW OF INTERNAL CONTROL FOR YEARS ENDING 31 MARCH 2023 AND 31 MARCH 2024

(a) Scope of Responsibility

Odcombe 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. In discharging this overall responsibility, the Council is also 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.

(b) 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.

**(c) The Internal Control Environment
Council**

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its objectives, budget and the level of precept required for the following year at its November meeting.

Clerk

The Council is presented with quarterly monitoring statements and monthly bank reconciliations for signature.

Monthly cheque signatories

Two Councillors, who are on the bank mandate, chosen at random each month, as the required cheque signatories, are responsible for checking :-

- All documentation relating to the payments presented for approval at the parish council meeting
- Cheque book and the prepared cheques for the parish council meeting

On-line banking approvals

Two Councillors, who are on the bank mandate, are authorised to approve on-line banking transactions. All transactions must have been formally approved at a Full Council meeting and minuted accordingly. Invoices shall be annotated with names of Councillors who approved the on-line banking transaction.

Monthly bank statement signatory

One Councillor, chosen at random each month, is responsible for checking: -

- Bank statements
- Monthly reconciliation of the bank statements against the reported balance as detailed on the previous months finance sheet.

Financial Officer

The Council has appointed a Clerk of 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments

All payments to be approved by Council.
Standing Orders: may be set up following approval from at a Full Council meeting
Direct Debit: may be set up following approval from at a Full Council meeting
The Clerk to detail in the monthly Clerks report in-month Standing Orders and Direct Debit transactions.

Risk Assessments/Risk Management

The Council annually reviews its risk assessments in respect of its activities and reviews its system and controls.

Internal Audit

The Council has appointed an independent Internal Auditor, Mrs B Appleby who will report annually to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The effectiveness of internal audit is also reviewed annually.

External Audit

The Council's appointed External Auditors for 2020 are PFK Littlejohn LLP. However, due to both income and expenditure being under £25,000, in April 2022 the Council can resolve to certify itself as exempt from a limited assurance review or pay for PFK Littlejohn LLP to carry out a review.

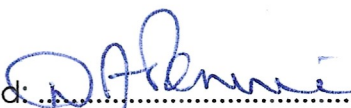
Review of Effectiveness

The review of the effectiveness of the system of internal control is informed by:


- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- Publication Requirements - The Council must publish various documents on its website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities

Significant Internal Control Issues

No significant internal control issues were raised at the last internal audit.

Signed:  Chairman

Date: 21-11-2022

Signed:  Clerk/Responsible Financial Officer

Date: 21-11-2022