

## **Eccleshill Parish Council**

### **Statement of Internal Control**

Revised May 2025

#### **Eccleshill Parish Council – Statement on Internal Control**

Eccleshill Parish Council is a local authority funded largely by public money and 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.

#### **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 ongoing process designed to:

- a) Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) Evaluate the likelihood of those risks being realised and the impact should they be realised
- c) Manage them efficiently, effectively and economically.

The annual report and accounts accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils latest edition.

#### **The Council's Internal Controls**

##### **(i) The Council**

- Has adopted Financial Regulations which set parameters for its financial operations;
- Reviews its obligations and objectives and approves budgets for the following year at its December meeting;
- Approves the level of precept for the following financial year at its December meeting;
- Annually appoints a Councillor to carry out monthly bank reconciliation checks;

- Meets a minimum of 6 meetings per financial year and monitors progress at each meeting by receiving relevant reports from the RFO / Clerk;
- Carries out regular reviews of its internal controls, systems and procedures.

## ii) **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 current Acting Clerk/RFO commenced 1 May 2025. The Clerk is the Council's Responsible Financial Officer and is responsible for the management and administration of 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.

## iii) **Payments**

**Authorisation:** All expenditure must be authorised by the Council (or by a Committee having delegated authority), or by the Clerk by way of delegated authority.

**Recording/reporting:** All payments and receipts are entered into the Council's accounting system. All receipts are reported to the Council. A copy of all payments is kept with the invoices on a month by month basis. The bank balance is reconciled monthly.

**Method:** All payments are made by cheque, direct debit and from 2021 by on-line bank transfer. The Council currently has one direct debit set up on its accounts. After the meeting the signatories check each online payment request against the list of payments as detailed in the agenda and the original relevant invoice is signed at the meeting. If a cheque is issued then the cheque and cheque book stub are initialled.

**Mandate:** One member of the Council must authorise every payment.

**Reconciliation:** The Council checks the bank reconciliation against the Council's bank account statement quarterly.

## iv) **Contracts**

Procedures as to contracts are laid down in the Council's Standing Orders and Financial Regulations. The Council oversees all contract procedures.

## v) **Internal Audit**

The Council has appointed Len Entwistle Chartered Accountants as its independent internal auditor until further notice who will report to the Council on

the adequacy of its records, procedures, systems, internal controls and risk management. The effectiveness of the internal audit is reviewed.

**vi) External Audit**

The Council has been appointed External Auditors PKF Littlejohn LLP, 15 Westferry Circus, London E14 4HD United Kingdom until further notice.

**Review of effectiveness**

Eccleshill Parish Council has responsibility for conducting an annual review of the effectiveness of its systems of internal control. The review of the effectiveness of the system of internal controls is monitored and informed by:

- The Council;
- The Clerk to the Council / Responsible Financial Officer
- The work of nominated Councillors reporting to the Council as the 'body corporate'
- The work of the independent Internal Auditor
- The External Auditors through the annual return