



CARLTON COLVILLE TOWN COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2023

1. SCOPE OF RESPONSIBILITY

Carlton Colville Town 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 meet once 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. Bank Reconciliations are brought to full town council meeting for signing and checking.

The full council meets 11 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

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 sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque 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. In August when there is no meeting the payments will be agreed by email confirmation from Councillors and signed off at the September meeting.

Where internet banking arrangements are made with any bank, the Clerk or RFO shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a 2 councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

Income:

All income is received and banked in the council's name in a timely manner and reported to the council.

Risk Assessments/Risk Management:

The council reviews its risk assessment annually in December, and regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent and competent internal auditor who reports to the council on an annual 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 Carlton Colville Town Council

Meeting date: 1st June 2022

CARLTON COLVILLE TOWN 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 Town 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, the Town has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets	Yes	On Scribe and Excel
Regular maintenance arrangement for physical assets	N/A	
Annual review of risk and the adequacy of Insurance cover	Yes	Ansvar Insurance through CAS
Annual review of financial risk	Yes	

Awareness of Standing Orders and Financial regulations	Yes	Checked via NALC and SALC
Adoption of Financial and Standing Orders	Yes	
Regular reporting on performance by contractors	N/A	
Annual review of contracts (where appropriate)	N/A	
Regular bank reconciliation, independently reviewed	Yes	Monthly at TC meetings
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Monthly sign off at TC meeting
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	
Payments supported by invoices, authorised and minuted	Yes	Dual control signatory clerk is not a signatory
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	Receipts recorded on minutes
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	Recorded bi-annually on minutes
Contracts of employment for staff	Yes	Pay and holidays reviewed in November at Annual appraisal
Contract annually reviewed	Yes	Annually
Updating records to record changes in relevant legislation	Yes	
PAYE/NIC properly operated by the Council as an employer	Yes	SALC administer payroll
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cash-book	Yes	Quarterly Return via Scribe
Regular financial reporting to Parish Council	Yes	Monthly
Regular budget monitoring statements as reported to Parish Council	Yes	Monthly
Compliance with DCLG Guide <i>Open & Accountable Local Government</i> 2014, Part 4:	Yes	

Officer Decision Reports		
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	Yes	Under £200K income and expenditure
Verifying that the Council is compliant with the General Data Protection Regulation requirements Are the following in place: <ul style="list-style-type: none"> • Audit / Impact Assessment • Privacy Notices • Procedures for dealing with Subject Access Requests • Procedure for dealing with Data breaches • Data Retention & Disposal Policies 	Yes Yes Yes Yes Yes	Polices in place
Minutes properly numbered and paginated with a master copy kept in for safe-keeping	Yes	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	East Suffolk Council
Adoption of Codes of Conduct for Members	Yes	Model Councillor Code of Conduct accepted 1 st June 2022
Declaration of Acceptance of Office	Yes	

Date of review of system of Internal Controls..... 6/12/2022

Review of system of Internal Controls carried out by:

Name..... RACHAEL ARNOTT..... Signature..... R. Arnot

Report submitted to Council (date)..... 6/12/2022

(minute reference) ~~23~~ January 23/9

Next review of system of Internal Controls due..... December 2023