

# **BROOKLAND PARISH COUNCIL STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2021**

## **1. SCOPE OF RESPONSIBILITY**

Brookland Parish Council (the 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, including the preparation of the accounting statements as required by Section 1 of the Annual Governance & Accountability Return (AGAR) – Annual Governance Statement and its 9 “assertions”.

## **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 ongoing 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.

The Council has in place a set of Standing Orders and Financial Regulations, which set out the general rules applicable at council and committee meetings and in carrying out the council’s business. These two documents are reviewed on a regular basis and influence the system of internal controls in place.

The system of internal control has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the AGAR (annual governance statement and accounting statements) and, except for the details of significant internal control issues at section 5 of this Statement, accords with proper practice.

## **3. THE INTERNAL CONTROL ENVIRONMENT**

### **The Council:**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

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

The full Council meets six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

### **Clerk to the Council / Responsible Financial 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 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 and reviewed as necessary.

**Payments:**

All payments are reported to the Council for approval. Two Members of the Council must authorise and sign every cheque or internet banking payment. Standing order & direct debit arrangements are reviewed annually.

**Income:**

All income is received and banked in the Councils' name in a timely manner and reported to the Council at the next meeting.

**Risk Assessments / Risk Management/Risk Register:**

The Council carries out regular risk assessments, identifying risks, assessing risks, addressing risks and reviewing & reporting these risks on an annual basis in a risk register.

**Internal Audit:**

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system and audit plan is reviewed annually.

**External Audit Exemption:**

From 2017-18 onwards "smaller authorities" where gross income or gross expenditure was £25,000 or less can sign a Certificate of Exemption, exempting the Council from the external audit review process. For 2020-21 Brookland Parish Council's income and expenditure is below £25,000 and will be completing the certificate of exemption form an external audit

**4. REVIEW OF EFFECTIVENESS**

The Council 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 of:

- the full Council;
- the Clerk to the Council / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the Independent Internal Auditor who reviews the Council's system of internal control;
- the number of significant issues that are raised during the year.

**5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No significant internal control issues were identified during the 2020-21 financial year.

Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

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Chairman  
Brookland Parish Council

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Clerk  
Brookland Parish Council

\_\_\_\_\_  
Date