



Sprotbrough and Cusworth Parish Council

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STATEMENT OF INTERNAL CONTROL

Approved by the Parish Council on 16th May 2024

1. Scope of Responsibility

Sprotbrough and Cusworth Parish Council ('the Council') is a local authority funded largely by public money. It is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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 Council is required, by regulation 6.1 of the Accounts and Audit Regulations 2015, to review each financial year the effectiveness of its system of financial control.

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 system of internal control has been in place at the Council for the year ending 31 March 2023 and accords with proper practises.

3. The Internal Control Environment

The Council

- The Council has adopted Financial Regulations which set parameters for the

Council's financial operations.

- The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, and in accordance with its Standing Orders.
- The Council meets at least ten times per year to monitor and review its obligations, aims and objectives, and receive reports from the Clerk/Responsible Financial Officer, committee's and members of the Council.
- The Council met in January to approve the budget and precept for the coming year 2024/25.
- The Council carries out regular reviews of its internal controls, systems and procedures.
- Payroll is processed by the Deputy Clerk/ RFO using payroll software from HMRC and checked by the Clerk and two authorised Councillors.
- Banking services are provided by Co- Operative Bank.
- The Council uses an industry relevant computerised accounting system, SAGE to complete the management accounts and financial returns for the Council. Detailed reports can be prepared and produced for the benefit of reporting to the Council.

Town Clerk/Responsible Financial Officer

The Council has appointed a Clerk who acts as the Council's advisor and manager and also a Responsible Financial Officer who provides advice on finance-related issues and who is responsible for the administration of the Council's finances. Both the Clerk and Responsible Finance Officer hold the Certificate in Local Council Administration.

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/RFO provides advice to ensure the Council's procedures, control systems and policies are adhered to.

Finance reporting to Councillors

Appendix 1 sets out the monthly finance related matters to be dealt with by the Council. Day to day finance maintenance is undertaken by the RFO.

Payments

All expenditure (the incurring of costs) is be authorised by the Council or (in accordance with the Financial Regulations and Scheme of Delegation) by other delegated authority.

All payments are reported to the Council. The RFO is responsible for checking the legality of each payment and that payments are within the powers of the Council prior to presentation to the Council. The monthly payments schedule is contained

within the adopted minutes for the meeting and are also available on the Parish Council's website for public scrutiny.

The Council's bank balances are reported monthly to the Council and an authorised Councillor undertakes spot checks of payments/ bank statements on a quarterly basis.

A process of internal checks has been developed by the Clerk/ RFO which has been implemented since February 2021 which allows for bi monthly inhouse checks of the day to day financial processed (Appendix 2)

Risk Assessments/Risk Management

The Council has an adopted Risk Management Policy supported by an extensive risk assessment of all Parish Council activity. These are reviewed annually in August by the Clerk/ RFO or when required due to changes in legislation/ guidance. Any revisions to policies are approved by the Council in September each year.

The insurance cover is regularly reviewed to ensure the correct level of cover has been provided. Our current provider is Clear Council Insurance (formely BHIB) who are an industry standard provider.

Internal Auditor

The Council has appointed Anthony Stanley, as Independent Internal Auditor who reports to the Council on the adequacy of:

- records
- procedures
- systems of internal control
- regulations
- risk management
- governance processes

The effectiveness of internal audit is reviewed annually by the Council.

External Auditor

The Council's external auditors are PKF Littlejohn. The Annual Certificate of Audit is presented to the Council each year.

Professional Advice

Additionally, the Council seeks and receives appropriate property, legal, insurance, VAT, personnel/human resources and health & safety advice, as appropriate, to manage risk from external professionals.

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 full Council
- The work of officers reporting to the Council and its committees
- The Clerk/Responsible Finance Officer to the Council who are responsible for the development and maintenance of the internal control environment and managing risk.
- The Independent Internal Auditor who reviews the Council's system of internal control and reports to the Council.
- The Council's External Auditor who makes a final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman, the Clerk and the Internal Auditor. An Audit Certificate is issued.
- 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 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 at all times.

Date of next review – May 2025

Appendix 1

Monthly Finance Agenda Items

IF NECESSARY, TO RECEIVE AND APPROVE ANY REVISED BUDGETARY REQUIREMENTS AT ANY MEETING

April

1. Schedule of Accounts and Payments Due
2. To consider any request for S137 funding

May – Annual Meeting

1. Schedule of Accounts and Payments Due
2. Review of Bank Signatories and agree DD/SO arrangements for the year
3. Appoint one non-signatory member to verify Bank Reconciliations
4. To receive and approve Petty Cash Reconciliation for year ending 31st March
5. To receive Year End Report from Internal Auditor
6. To receive and approve the Governance Statement on AGAR
7. To receive and approve the Accounting Statement in AGAR
8. To receive and approve Bank Reconciliation figures
9. To receive a copy of the Asset Register a at Year End 31st March
10. To note the availability of the External Audit Return 2020/21 for Scawsby Community Centre
11. To consider any request for S137 Funding

June

1. Schedule of Accounts and Payments due
2. To consider any requests for S137 Funding
3. To receive and approve Bank Reconciliation figures to May
4. To receive and approve Bank Reconciliation verification to March
5. To receive and approve Budgetary Control Statement ending May

July

1. Schedule of Accounts and Payments due
2. To consider any request for S137 funding

September

1. Schedule of Accounts and Payments due
2. To consider any request for S137 funding
3. To receive and approve Bank Reconciliation figures to August
4. To receive and approve Bank Reconciliation Verification to June
5. To receive and approve the Budgetary Control Statement ending August
6. To receive and approve the External Auditor report

October

1. Schedule of Accounts and Payments due

2. To consider any request for S137 funding

November

1. Schedule of Accounts and Payments due
2. To consider any request for S137 funding
3. To receive and approve Bank Reconciliation figures to October
4. To receive and approve Budgetary Control Statement ending October
5. To receive and approve Bank Reconciliation Verification to September

December

1. Schedule of Accounts and Payments due
2. To consider any request for S137 Funding
3. To consider a draft budget and set a precept for

January

1. Schedule of Accounts and Payments due
2. To consider any request for S137 funding
3. To receive and approve Bank Reconciliation figures to December
4. To receive and approve Budgetary Control Statement ending December

February

1. Schedule of Accounts and Payments due
2. To consider any request for S137 Funding
3. To receive and approve Internal Auditor Report (1/2 yearly)

March

1. Schedule of Accounts and Payments due
2. To consider any request for S137 funding
3. To consider the appointment of the Internal Auditor
4. To consider the level of Fidelity Bond Guarantee for Members and Officers
5. To review the Internal Audit Plan as per Audit Governance Regulations
6. To receive and approve Bank Reconciliation figures to February
7. To receive and approve Budgetary Control Statement ending February
8. To receive and approve risk management assessments
9. To receive details of future contribution rates for SYPA

Appendix 2

Internal Financial Check Records

Sales Ledger (Regular Bookings)

RFO to select 3 random regular bookings from the diary and check that the booking has been invoiced.

Booking Selected (Hirer/Date)	Has booking been invoiced : Yes/No
Insert details of any bookings not invoiced ?	

Sales Ledger (Ad Hoc Bookings)

RFO to select 3 random ad hoc bookings from the diary and check that the booking has been paid for.

Booking Selected (Hirer/Date)	Has booking been paid for : Yes/No
Insert details of any bookings not invoiced ?	

Direct Debit Checks

RFO to select 3 DD entries from bank statement. Amount debited to be checked against supplier invoice.

Date of Payment	Amount	Supplier	Correspond YES/NO
Details of any that done match and remedial action to be taken ?			

Cheque Stubs

RFO to select 3 cheque stubs and check for it corresponding with the bank statement.

Cheque Number	Amount	Correspond YES/NO

Cheque Stubs

RFO to select 3 cheque payment details from bank statements and ensure that cheque stub corresponds.

Cheque Number	Amount	Correspond YES/NO

Online Payment Checks

RFO to select 3 invoices that have been paid online and ensure that the invoice amount matches the online payment confirmation printout.

Supplier	Date of Invoice	Do sheets correspond? YES / NO

Bank Reconciliation

RFO to check finance software reconciliation information and check against bank statements. Reconciliations on all accounts provided to Council on a quarterly basis.

Account Name	Date of Balance	Amount of Balance	Correspond (YES/NO)

Cash Receipt Reconciliation and Banking

Clerk to select x2 Paying in Book entry records since last internal check and to reconcile the cash deposit with the internal cash receipt schedule and copies of cash receipts issued to payees.

Date of Paying in Record	Do amounts correspond ?	Discrepancies identified?

Fuel Receipts

Are all receipts present ? YES/NO

Do receipt amounts correspond with statement ? YES/NO

Insert any missing receipt details here – Date and Amount :

Ground staff to be chased for any outstanding invoices and checked again during next internal check process.

Petty Cash

Has petty cash reconciliation been undertaken (quarterly reconciliation) ? YES / NO
Do receipts all correspond with cash balance ? YES / NO

VAT Returns

Has most recent VAT return been submitted and payment received YES/NO ?
If NO what is the reason for delay on submission or payment ?

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To be signed by RFO and 1 or two of Clerk / Deputy Clerk/ Councillor.

Signed..... RFO (Zoe Attridge - Chambers)

Signed..... Clerk (Emma Garner)

Signed..... Deputy Clerk (Tom Hinds)

Name of Councillor.....

Date.....