

Tilney St Lawrence Parish Council

Annual Review of the Effectiveness of Internal Control

The Accounts and Audit Regulations 2003 state:

“(1) The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of the body’s functions and which includes arrangements for the management of risk.”

“(2) The relevant body shall conduct a review at least once a year of the effectiveness of its system of internal control.”

Internal Management and Financial Control:

- The system of internal control is designed to reduce the financial risk of the Parish Council to an acceptable level.
- The Parish Council has approved a set of Financial Standing Orders which set out the way that the Council’s finances are to be managed. These are reviewed and approved once a year.
- The Clerk is the Responsible Financial Officer (RFO) and is responsible for the day-to-day financial management of the Council. The duties of the RFO are reviewed and approved once a year. The RFO shall report all payments to the Council.
- Three Councillors must sign all cheques and other financial documents. The clerk may not authorise payments.
- The cheque signatory shall check the supporting document at the time of signing, to ensure that the cheque agrees with the amount of the invoice and the payee on the invoice. The cheque stub should also be initialled to record that the name on the cheque stub is the same as that on the cheque.
- The Finance working party is made up of three councillors. In December, this group shall review the Council’s budget in detail and shall make a recommendation to the full Council for the precept for the forthcoming year.

Internal Audit

- The Council has appointed an independent and competent internal auditor and carries out a review of the effectiveness of the internal audit once a year. The auditor report their findings to the full Council and completes Section 4 of the Annual Return.

External Audit

- The Councils external auditors are PKF Littlejohn LLP, who complete Section 3 of the Annual Return; their comments and recommendations are reported to the full council.

Review

- This review shall be carried out once a year and recorded in the Council’s minutes.

Signed:Chairman Dated:

Signed:RFO Dated: