

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.
- Two councillors must sign all cheques, authorise bank payments, and other financial documents. Except where allowed under the financial regulations, the clerk may not authorise payments.
- The cheque/bank signatory shall check and initial the supporting document at the time of signing, to ensure that the payment agrees with the amount of the invoice and the payee on the invoice.
- The clerk shall draw up a draft budget, including the proposed precept, for the forthcoming financial year and this shall be reviewed in detail by the full Council prior to approval.

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 internal auditor completes Section 4 of the Annual Return and their detailed report with recommendations is submitted to the full Council.

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:Clerk & RFO Dated:

Signed:Chairman Dated: