

Bere Ferrers Parish Council

Statement of Internal Control

Introduction

Bere Ferrers Parish Council (the Council) is a local authority largely funded by public money and is responsible for ensuring 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 to review at least annually the effectiveness of its system of financial control. This is informed by the work of the internal auditor and Finance & General Purposes Committee, who have responsibility for the development and maintenance of the internal control environment, and also any comments made by the external auditors in their annual report.

The Purpose of the System of Internal Control

The Council's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them effectively and economically.

The system of internal control accords with the practices set out in the Joint Panel on Accountability and Governance Practitioners' Guide (2022 edition).

The Internal Control Environment

The Council has adopted Financial Regulations which set parameters for the Council's financial operations and review updates as necessary each year. The Council has appointed a Responsible Finance Officer who implements financial systems and controls.

The Council uses Rialtas Business Solutions financial software to process transactions and monitor performance against budget. Banking services are provided by NatWest.

The Council also holds investments with CCLA. Investment transactions are undertaken in accordance with the Council's Financial Regulations and require authorisation by two approved signatories.

The Clerk/RFO is an authorised signatory on the CCLA account solely for the purpose of authorising investment transactions. The Clerk/RFO maintains appropriate records of all investment transactions and balances, which are subject to the Council's normal financial controls and reconciliation procedures.

The Council has appointed an independent internal auditor to audit the adequacy of its records, procedures, systems, internal control and risk management.

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The independent internal auditor will undertake the annual internal audit and complete the relevant Annual Internal Audit Report within the Annual Governance and Accountability Return (AGAR), together with providing a separate report to the Council detailing any findings or recommendations.

Any issues raised by the Internal Auditor are reported to the next Finance & General Purposes meeting and agreed actions are monitored to ensure that they have been carried out and actioned within agreed timescales. Additionally, the Council seeks and receives appropriate property, legal, insurance, and health & safety advice as appropriate to manage risk.

The Council's external auditor is appointed through Smaller Authorities' Audit Appointments (SAAA). Any External Auditor's Report and Certificate received will be presented to the Council and any matters or recommendations arising will be considered and appropriate action recorded in the minutes.

The Council

The Council is responsible for:

- Establishing and monitoring the Council's objectives.
- Drawing up and implementing policies to drive Council's decision making.
- Ensuring compliance with established policies, procedures, laws and regulations
- Identification and management of risk
- Ensuring that best value and value for money are achieved in all purchases as outlined in the Financial Regulations.
- Ensuring all committees receive regular and up to date reports on financial activities under their direction
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of the Council

Clerk to the Council / Responsible Financial Officer

- is appointed by the Council to act as the Council's legal advisor and administrator
- is the Council's Responsible Financial Officer and is responsible for administering the Council's finance.
- is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks
- ensures that the Council's procedures, control system and policies are adhered to.

Payroll Controls

- Members of staff has a contract of employment with clear terms and conditions.
- Salary paid to agree with that approved by the Council.
- PAYE is being properly operated by the Council as an employer and monthly submission are made to HMRC.

Finance & General-Purpose Committee

- Comprise of six members of the Council (voted in at the Annual General meeting), and the Chair of the Council and meet 11 times during each 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 Clerk will prepare a schedule of payments requiring authorisation, forming part of the Agenda for the F & GP meeting and, together with the relevant invoices, present the schedule to the committee. The Committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Committee. The approved schedule shall be ruled off and initialled by the Chair of the Meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- Monitor the F & G.P budget* and to set the following year's draft budget and precept for Council's approval.
- Minutes of committee meetings are circulated to all members of the Council and recommendations are ratified by the Full Council meeting and minuted accordingly.

*Open Spaces & Footpaths & Environment Committee to monitor their own budget and draft their budget, to be drafted into F & G.P and forwarded to Council for final approval.

Internal Financial Control

- Bank reconciliations are prepared monthly by the Clerk and presented to the F & G.P Committee for review and approval. The reconciliations are subject to independent scrutiny and sign-off by a member of the Council who is not responsible for preparing them.
- The Clerk provides a monthly receipt and payment report to the F & G.P Committee and provides a 3-month receipt and payment report to the Open Spaces Committee and 6-month receipt and payment report to the Footpaths & Environment Committee, which is approved by members and subsequently minuted.
- All payments shall be affected by cheque or Bank Line transfer or other instructions to the council's bankers, or otherwise, in accordance with a resolution of the F & G.P Committee or Full Council.
- Cheques or Bank Line payments drawn on the bank account in accordance with the schedule as presented normally to F & GP committee shall be signed by two members of Council following the recommendation of the Clerk in accordance with a resolution instructing that payment.
- A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

- To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil. One of the Bank Line signatories will also check and sign the payments list.
- Cheques or orders for payment shall not normally be presented for signature other than at F & GP committee meeting including immediately before or after such a meeting. Any signatures obtained away from such meetings shall be reported to the council or F & GP Committee at the next convenient meeting.

Review of Effectiveness

- The Council through the Responsible Finance Officer has responsibility for conducting a review of the effectiveness of the system of internal control, which should also include a review of the effectiveness of internal audit.
- The F & G.P will conduct an annual review of the Statement of Internal Control and recommendations/amendment be approved and recorded in the minutes.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.

Any weaknesses identified during the year will be discussed and policies and/or regulations amended accordingly.

Date of committee Meeting and minute No	F & G.P Committee, 21 st July 2026. Min no: 175
Date of next review	2027