

## Reedham Parish Council

# Annual Review of the Effectiveness of Internal Control

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### The Accounts and Audit Regulations 2003:

“(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 that body's functions and which includes arrangements for the management of risk.

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

### Internal Control:

The system of internal control is designed to reduce the financial risk of the Parish Council to an acceptable level.

### Financial Management:

The Parish Council has approved a set of financial standing orders which set out the way that Council's finances are to be managed. These are reviewed and approved once a year.

Two councillors, out of three named signatories, must sign all cheques and other financial documents. Online payments, if applicable, may be made **jointly by the clerk and the chairman** or another authorised councillor, following authorisation by full Council.

The clerk may carry out transfers within the Parish Council's bank accounts.

The cheque signatory shall check and initial the supporting document at the time of signing to ensure that the cheque agrees with the amount of the invoice and the payee named 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.

If applicable, the list of online payments will be agreed to supporting documentation to ensure that the online payment agrees with the amount of the invoice and the payee named on the invoice, and will be signed by the signatories. The list of authorised **online** payments will be checked by a Councillor to the bank statement at the following meeting to ensure that payments were made to the correct person or company.

When meetings are held virtually the RFO will email the payment schedule, and a copy of each invoice to be paid, to the Councillors, at a minimum, 2 days before the meeting.

A Councillor shall review the bank reconciliations 6 monthly, including at the year end, and shall complete a review sheet as evidence of this check.

The clerk is the responsible financial officer and is responsible for the day-to-day financial management of the Council. The duties of the responsible financial officer are reviewed and approved once a year. The RFO shall report all payments to the Council.

On or before the January meeting, the Council shall review the budget in detail and shall decide on 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 reports their findings to the full Council and completes the Annual Internal Audit Report section of the Annual Return.

### **External audit:**

The Council's external auditors are PKF Littlejohn, 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: David Hale

Chairman

Dated: 5<sup>th</sup> June 2023

Signed: Claudia Dickson

Responsible Financial Officer

Dated: 5<sup>th</sup> June 2023