

Ashwellthorpe and Fundenhall Parish Council – May 2018

Annual Review of the Effectiveness of Internal Control

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 at the Annual Parish Meeting.

Two councillor's, out of three named signatories, must sign all cheques, supporting documents 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 named on the invoice.

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 from time to time and include the regular reconciliation of the bank statements to the Council's cashbook. The RFO shall report all payments to the Council.

The full Council reviews the budget in detail in January and sets the precept for the forthcoming year.

Internal audit:

The Council has appointed an independent and competent internal auditor and reviews this appointment once a year. The auditor shall report his findings to the full Council and complete Section 4 of the Annual Return.

A designated councilor carry's out a half yearly review of all council finances.

External audit:

PKF Littlejohn have been appointed the external auditors for five years from 2017/18.

Annual Governance and Accountability Return (AGAR)

Each smaller authority is required by law:

- to prepare Accounting Statements for the year ended 31 March 2018 in the form required by proper practices (the relevant annual return, now known as the Annual Governance and Accountability Return or AGAR, Part 1, 2 or 3);

- to approve and publish the AGAR including the Accounting Statements

- to provide for the exercise of public rights

- to publish the AGAR, including the signed external auditor report, by 30 September 2018.

Ashwellthorpe and Fundenhall Parish Council will be required to complete Part 2 of the AGAR

Smaller authorities are eligible to exempt themselves from the review. Exempt authorities must meet a number of specified criteria and then provided those criteria are satisfied they only need submit a copy of the exemption certificate.

The exemption criteria are met if the smaller authority can declare that it has:

- Total gross income and total gross expenditure below £25k

- No public interest report/statutory recommendation/advisory notice/judicial review/application to court re unlawful item of account issued by its external auditor in the prior year

- Been in existence since before 1/4/14.

Review:

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

Signed:
Chairman

Dated: 15th May 2018

Signed: Tina Higlett
RFO

Dated: 15th May 2018

Review Date May 2019