

**South Hinksey Parish Council
Statement of Internal Control**

Review as to the effectiveness of the system of internal controls

Scope and Responsibility

The Council is responsible for ensuring that business is conducted in accordance with the law and proper standards; and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance.

Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives; and to evaluate and manage those risks accordingly.

Review of Effectiveness

An annual review is to be undertaken by a councillor who reports directly to Council; in addition, it is the responsibility of the Council to review the Risk Management Plan on an annual basis.

Question	Answer	Recommendation for Action (if required)	Notes:
Proper bookkeeping			
Is the cashbook maintained and up to date?	Yes, it is		
Is the cashbook arithmetically correct?	Yes, it is		
Is the cashbook regularly balanced?	Yes, it is		
Standing orders/ financial regulations adopted and applied. Payments controls			
Has the council formally adopted standing orders and financial regulations?	Yes. The Council adopted new versions of both at its March 2017 meeting.		
Has a Responsible Financial Officer been appointed with specific duties?	The Clerk employs one member of staff with the job title "Clerk and Responsible Finance Officer" and a detailed job description		

Question	Answer	Recommendation for Action (if required)	Notes:
Are items or services competitively purchased?	Generally: for example three quotes were obtained for bramble clearing in the woodland and the Betty Lane kissing gate		
Has VAT on payments been identified, recorded and reclaimed?	Yes, it has		VAT of <£100 from 2016-17 is still to be reclaimed
Risk management arrangements			
Are payments authorised by Council?	Yes, every one		
Do minutes record the Council carrying out an annual risk assessment?	Yes, the minutes of the December 2016 meeting		
Is insurance cover appropriate and adequate?	The Council believes it is		

Question	Answer	Recommendation for Action (if required)	Notes:
Are internal financial controls documented and regularly reviewed?	At its March 2017 meeting the Council agreed to appoint Cllr Maggie Rawcliffe to carry out an end of year check		
Budgetary controls			
Has the Council prepared an annual budget in support of its precept?	Yes, a budget was presented to the January 2017 meeting		
Is actual expenditure against the budget regularly reported to the Council?	Yes, it is. The Council received reports at its June, September and November 2016 meetings		
Are there any significant unexplained variances from budget?	No, there aren't		

Question	Answer	Recommendation for Action (if required)	Notes:
Income controls			
Is income properly recorded and promptly banked?	Yes, it is		
Does the precept recorded agree to the Council Tax authority's notification?	Yes, it does		
Are security controls relating to cash adequate and effective?	The Council does not keep cash		
Payroll controls			
Does the clerk have a contract of employment with clear terms and conditions?	Yes, it was amended at the April 2017 meeting		
Does salary paid agree with that approved by the Council?	Yes, it does		

Question	Answer	Recommendation for Action (if required)	Notes:
Are other payments to the clerk reasonable and approved by the Council?	Yes, the Clerk's expenses are always approved by the Council and at rates for mileage and printing approved by the Council		
Have PAYE/NIC been properly operated by the Council as an employer?	Yes, but this means the Council does not have to pay or deduct National Insurance Contributions		
Asset controls			
Does the council maintain a register of all material assets owned or in its care?	Yes, it does		
Is the asset register up to date?	Yes, it seems to be		

Question	Answer	Recommendation for Action (if required)	Notes:
Do asset insurance valuations agree with those in the asset register?	This was not clear	The Clerk needs to look at this matter when the Council's insurance is renewed, which is shortly.	
Bank reconciliation			
Is bank reconciliation carried out regularly and in a timely fashion?	Yes, it was carried in July, October and December 2016 as well as at the year end		
Are there any unexplained balancing entries in any reconciliation?	No, there aren't		
Has the bank reconciliation been checked and verified by a Cllr, in accordance with financial regulations?	The end-year bank reconciliation has been checked and verified by Cllr Maggie Rawcliffe		


Question	Answer	Recommendation for Action (if required)	Notes:
Year-end procedures			
Are year-end accounts prepared on the correct accounting basis (Receipts and Payments / Income and Expenditure)?	Yes, they are prepared on a Receipts and Payments basis		
Do accounts agree with the cashbook?	Yes, they do		
Is there an audit trail from underlying financial records to the accounts?	Yes, there is		

General comments: None

Date of Review: Friday 7th April 2017

Date of next review: April 2018

Review conducted by Councillors (to be **signed and dated** by ALL Councillors involved):

 13th April 2017