

**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:
<b>Proper bookkeeping</b>			
Is the cashbook maintained and up to date?	Yes, it is		
Is the cashbook arithmetically correct?	Yes, it appears to be		
Is the cashbook regularly balanced?	Yes. I am a new member of the Council, but I understand there have been several monitoring reports		
<b>Standing orders/ financial regulations adopted and applied. Payments controls</b>			
Has the council formally adopted standing orders and financial regulations?	Yes. The Council re-adopted both at its 2017 annual meeting.		

Question	Answer	Recommendation for Action (if required)	Notes:
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		
Are items or services competitively purchased?	Generally: for example, four quotes were obtained for insurance renewal and two were obtained for the maintenance contract		
Has VAT on payments been identified, recorded and reclaimed?	Yes, it has been identified and recorded. It has been reclaimed on invoices paid up to and including the December 2017 Council meeting.		VAT of <£100 from 2017-18 is still to be reclaimed on invoices paid at the January 2018 Council meeting
<b>Risk management arrangements</b>			

Question	Answer	Recommendation for Action (if required)	Notes:
Are payments authorised by Council?	Yes, they are		
Do minutes record the Council carrying out an annual risk assessment?	Yes, in the minutes of the December 2017 Council meeting		
Is insurance cover appropriate and adequate?	The Council believes it is		
Are internal financial controls documented and regularly reviewed?	At its April 2018 meeting the Council agreed to appoint me to carry out an end of year check		
<b>Budgetary controls</b>			
Has the Council prepared an annual budget in support of its precept?	Yes, a budget was presented to the December 2017 Council meeting		
Is actual expenditure against the	Yes, it is. The Council received		

Question	Answer	Recommendation for Action (if required)	Notes:
budget regularly reported to the Council?	reports at its September, October and December 2017 meetings and its January 2018 meeting		
Are there any significant unexplained variances from budget?	No, there don't appear to be		
<b>Income controls</b>			
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		
<b>Payroll controls</b>			

Question	Answer	Recommendation for Action (if required)	Notes:
Does the clerk have a contract of employment with clear terms and conditions?	Yes, and it was last amended at the June 2017 Council meeting		
Does salary paid agree with that approved by the Council?	Yes, it does		
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?	It appears to have been		
<b>Asset controls</b>			
Does the council maintain a register of all	Yes, it does	The Clerk should produce the asset register in a new and more helpful	

<b>Question</b>	<b>Answer</b>	<b>Recommendation for Action (if required)</b>	<b>Notes:</b>
material assets owned or in its care?		format, showing not only historic costs but, where appropriate, insurance valuations	
Is the asset register up to date?	There is a doubt as to whether more than one of the waste bins recorded actually survives	The Clerk needs to resolve the doubt and, if necessary, write off the waste bins that have been lost or have been replaced by another authority	
Do asset insurance valuations agree with those in the asset register?	Probably not	The Council needs to agree at its May meeting which items it would actually replace and ensure these are insured at their replacement value	Items probably worth replacing include the vehicle-activated sign, the defibrillator, the chain-link fence, the wooden fence and gates at the burial ground, and the noticeboards

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Bank reconciliation</b>			
Is bank reconciliation carried out regularly and in a timely fashion?	The Council received and approved reconciliations to end July and end December 2017 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 me		
<b>Year-end procedures</b>			
Are year-end accounts prepared on the correct accounting basis (Receipts and Payments / Income and	Yes, they are prepared on a Receipts and Payments basis		



Question	Answer	Recommendation for Action (if required)	Notes:
Expenditure)?			
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 20<sup>th</sup> April 2018  
 next review: April 2019

Date of

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

*M. L. Goodhead*  
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Mrs M.L. GOODHEAD.  
 23.4.2018.