



EYNHAM PARISH COUNCIL'S STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31ST MARCH 2023

1. Scope of responsibility

Eynsham Parish Council forms the first tier of local government and is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Much of the law to which parish councils are subject may seem pedantic at the parish level and can be onerous, but it is nevertheless essential for parish councils to adhere to it.

In discharging this overall responsibility, Eynsham Parish Council (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.

2. The purpose of the system of internal control

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

The system of internal control has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. The internal control environment

The Council

The Council has appointed a Chairman who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and approves budgets for the following year at its November meeting and approves the level of precept for the following financial year.

The Council has appointed a Finance & General Purposes Committee of Members who met four times a year. Members of the Committee monitored progress against objectives, financial systems and procedures, budgetary control and carried out regular reviews of financial matters. The minutes of the meetings of the Finance & General Purposes Committee are reported to the Council with recommendations.

The Full Council meets 11 times each year. It monitors progress by receiving relevant reports from the RFO and the Parish Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk to the Council / Responsible Financial Officer

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Council's Responsible Financial Officer is responsible for administering the Council's finances. The Responsible Financial Officer is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments

All payments are reported to the Council for approval. Two Members of the Council must authorise every payment so the possibility of fraudulent transactions are limited and liability would be the responsibility of the bank. The same members must also sign the schedule of payments, cheque counterfoils (when used) and invoices to be paid. The RFO schedules the payments on the bank and 2 councillors authorise the payments. The Councillors are unable to amend the scheduled payments and the RFO can not authorise them.

Risk Assessments / Risk Management

A risk assessment report was produced during 2022-23. The Parish Council's insurance cover was reviewed during 2022/23 and appropriate adjustments made.

Internal Audit

The Council has appointed an Independent Internal Auditor who reported to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management
- Reviews

The effectiveness of the internal audit is reviewed annually by the Council.

External Audit

External Audit is carried out by Moore.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- The Full Council – The Council meets once a month considers the years ahead budget and precept. All members of the Council are sent agendas, the previous meeting minutes, financial papers and supporting documents a minimum of five days before the meeting date. Agendas and minutes are placed on the notice boards and on the Council's website. The Council is seen to be very effective in its conduct of business, advertising and recording and in considering the matters at hand.
- The Council will consider performance against budget, the financial systems and reporting, the bank reconciliation, insurance requirements, fixed assets, salaries and expenses allowed and the audit and reporting requirements to be made by the Council.
- The Responsible Financial Officer has responsibility for the development and maintenance of the internal control environment and managing risks and reports back to the Council as appropriate. These reports are monthly (Income & Expenditure, payments and receipts, bank reconciliations); three times a year (detailed review of Income and Expenditure and year end forecasts); and annually (budget setting, fixed assets, precept setting, insurance and audit reviews). The Council is satisfied that this method has been and remains effective.
- The independent Internal Auditor who reviews the Council's system of internal control are independent of any Councillor or staff member and report annually to Council. A rolling programme of matters to be investigated is agreed between Internal Auditor and Council, as detailed in the Internal Audit requirements above. The Internal Auditor is free to choose the frequency and timing of what matters to inspect. A detailed consideration of the Internal Audit Report is considered by the full Council.
- The Council's external auditors make the final check using the Annual Return and issue an annual audit report. The Annual Return is approved by the Full Council.
- Any significant issues that are raised during the year are considered by the Full Council.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant issues have been raised during 2022/23 for concern.

6. IMPROVEMENTS TO INTERNAL CONTROL FOR 2022-23

As well as the controls listed above which continued in 2022 it was also recommended by the RFO that every quarter, one councillor would be asked to follow a paper trail of a financial transaction, contract made or quote process and check that all necessary checks are in place. The transaction should be one of their own choice.

It should be a different councillor each quarter, if possible, and their findings reported back to the council.

(Chairman)

(Responsible Financial Officer)

(Date)