**ACLE PARISH COUNCIL**

**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 once a year. 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.

Two councillors, out of three named signatories, must sign all cheques and other financial documents. The cheque signatory shall check the supporting document at the time of signing, to ensure that the cheque or online payment 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. In the event of an emergency making it impossible to hold a council meeting, or where payments need to be made before a meeting, the clerk/ RFO shall have the delegated authority to make all payments that are due, where the expenditure has already been authorised by the Council. All payments to be reported to Council as soon as possible, and the invoices posted on the Council’s shared drive. A councillor who is not a bank signatory shall check these payments to the bank statements and email the clerk as evidence of this check. This check shall be reported to the next Council meeting.

The list of online payments to be agreed at a meeting will be shared, together with the supporting documentation/invoices, on the Council’s shared drive. Before or at the next meeting, a councillor who is not a bank signatory will check the previous online payments to the relevant bank statements and will sign as evidence of this check. This check shall be reported to the Council meeting.

A councillor who is not a bank signatory shall review the bank reconciliation at least once per quarter and shall sign as evidence of this check. This check shall be reported to the Council meeting.

At least once per year, the clerk will provide evidence of the balances in all the Council’s accounts to a councillor who is not a bank signatory who shall sign the as evidence of the check as evidence of this check. This check shall be reported to the Council meeting.

The finance committee is made up of at least threecouncillors. In December, this committee shall review the Council’s budget in detail and shall make a recommendation to the full Council for the precept for the forthcoming year.

**Internal audit:**

The Council has appointed an independent and competent internal auditor (John Gallop) and carries out a review of the effectiveness of the internal audit once a year. The auditor reports his findings to the full Council and completes Section 4 of the Annual Return.

**External audit:**

The Council’s external auditors are PKF, 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: Angela Bishop Dated: 27th February 2023

 Chair

Signed: Pauline James Dated: 27th February 2023

RFO