

CHIGWELL PARISH COUNCIL STATEMENT OF INTERNAL CONTROL

FOR THE YEAR ENDING 31st MARCH 2024

1. SCOPE OF RESPONSIBILITY

Chigwell Parish Council (like all parish councils) 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, Chigwell 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.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

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

The Council has appointed a Finance and Performance Committee of Members who now meet regularly during the year. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Finance and Performance Committee are reported to the Council.

The full Council meets eleven times each year. It monitors progress by receiving relevant reports from the Finance and Performance Committee 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 Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk 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 cheque in public.

Risk Assessments / Risk Management:

The Council has adopted a Risk Management programme and work will be on going.

Internal Audit:

The Council has appointed an Independent Internal Auditor who reports 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:

The Council's External Auditors, The Audit Commission, submit an annual Certificate of Audit, which is presented to the Council.

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 Finance Committee;
- the Clerk to the Council/ Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the independent Internal Auditor who reviews the Council's system of internal control;
- the Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. The external auditors issue an annual audit certificate;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

There are no significant internal control issues arising during 2023-24.

The Council strives for the continuous improvement of the system it has adopted for internal control and is addressing all the issues and weaknesses raised and reported during the review process.

FC030.d.I/24
(Chairman)

 13/06/24
(Responsible Financial Officer/ Clerk)

20/6/24
(Date)