

**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 **the X (finance/resource sub committee)** which reports directly to Council; in addition it is the responsibility of the Group to review the **Risk Management Plan** on an annual basis.

*Please note text highlighted should be amended by the Council to reflect the arrangements that have been agreed.*

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Proper bookkeeping</b>			
Is the cashbook maintained and up to date?			
Is the cashbook arithmetically correct?			
Is the cashbook regularly balanced?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Standing orders/ financial regulations adopted and applied. Payments controls</b>			
Has the council formally adopted standing orders and financial regulations?			
Has a Responsible Financial Officer been appointed with specific duties?			
Are items or services competitively purchased?			
Has VAT on payments been identified, recorded and reclaimed?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Risk management arrangements</b>			
Are payments authorised by Council?			
Do minutes record the Council carrying out an annual risk assessment?			
Is insurance cover appropriate and adequate?			
Are internal financial controls documented and regularly reviewed?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Budgetary controls</b>			
Has the Council prepared an annual budget in support of its precept?			
Is actual expenditure against the budget regularly reported to the Council?			
Are there any significant unexplained variances from budget?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Income controls</b>			
Is income properly recorded and promptly banked?			
Does the precept recorded agree to the Council Tax authority's notification?			
Are security controls relating to cash adequate and effective?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Payroll controls</b>			
Does the clerk have a contract of employment with clear terms and conditions?			
Does salary paid agree with that approved by the Council?			
Are other payments to the clerk reasonable and approved by the Council?			
Have PAYE/NIC been properly operated by the Council as an employer?			

Question	Answer	Recommendation for Action (if required)	Notes:
<b>Asset controls</b>			
Does the council maintain a register of all material assets owned or in its care?			
Is the asset register up to date?			
Do asset insurance valuations agree with those in the asset register?			



Question	Answer	Recommendation for Action (if required)	Notes:
<b>Bank reconciliation</b>			
Is bank reconciliation carried out regularly and in a timely fashion?			
Are there any unexplained balancing entries in any reconciliation?			
Has the bank reconciliation been checked and verified by a Cllr, in accordance with financial regulations?			

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

General comments:

Date of Review:

Date of next review:

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

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