



STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2015

1. SCOPE OF RESPONSIBILITY

Yalding Parish Council (The Council) 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.

In discharging this overall responsibility, The Council is also responsible for ensuring that there is a sound system of internal control as required by Section 2 of the Annual Return – Annual Governance Statement.

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 was adopted by The Council for the year ended 31 March 2015. 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 running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves budgets and sets the level of precept at a full council meeting in the fourth Quarter of the financial year.

The full Council meets at least four times each year and monitors progress against its aims and objectives and actions to achieve them at each meeting.

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 the day to day compliance with laws and regulations that The Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to The Council for approval, The Chairman confirms that each payment has been authorised by The Council and two other Members of The Council must authorise every cheque.

Income:

All income is received and banked in The Council's name in a timely manner and reported to the Council

Risk Assessments / Risk Management:

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

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 system is reviewed annually.

External Audit:

The Council's External Auditors, PKF Littlejohn LLP, 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 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;
- PKF Littlejohn LLP, the Council's external auditors, make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. PKF Littlejohn LLP issue an annual audit certificate;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the financial year ended 2015.

Whilst no significant internal control issues were identified during the year The Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

6. APPROVAL

A Statement of Internal Control shall be approved at the Annual Parish Meeting each year.