WESTERN VALLEY
Parish Council

STATEMENT OF INTERNAL CONTROLS

For the period 1st April 2025 – 31st March 2026

1. Scope of the Responsibility

1.1. Western Valley Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

1.2. In discharging this overall responsibility, 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

2.1. 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.

2.2. The system of internal control is in place at the Council from date of approval for the year ending 31st March 2026 and up to the date of approval of the annual report and accounts in accordance with proper practice.

3. The Internal Control Environment

3.1. The Council

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

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

3.1.3. The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters.

3.1.4. The full Council normally meets monthly and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.

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

3.2. Clerk to the Council & Responsible Financial Officer

3.2.1. 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 polices are adhered to.

3.3. Payments

3.3.1. All payments are reported to the Council for approval. Two members of the Committee must authorise all payments.

3.4. Risk Assessments / Risk Management

3.4.1. The Council carries out regular risk assessment in repost of actions and regularly reviews its systems and controls.

3.5. Internal Audit

3.5.1. The Council has appointed an independent Internal Auditor for the year 2024/2025 who will report to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. The effectiveness of the internal audit is reviewed annually.

3.6. External Audit

3.6.1. The Council has been appointed External Auditor Moore until further notice. Following completion of the External Audit the annual Certificate of Audit is provided, which is presented to the Council.

3.7. Internal Controls Checklist

3.7.1. The Council uses the attached Internal Controls Check List to monitor the application of the internal controls throughout the year (Appendix 1).

3.7.2. The Internal Controls Councillor (ICC) is selected randomly from the pool of Councillors each quarter, no Councillor may complete the check more than once per year. The ICC for the quarter carries out the checks included on this checklist and the Council receives a report from the ICC at the following main meeting.

4. Review of Effectiveness

4.1. Western Valley Parish Council has responsibility for conducting an annual review of the effectiveness of its system of internal controls. The review of the effectiveness of the system of internal controls is monitored and informed by:

4.1.1. the Clerk to the Council/Responsible Financial Officer

4.1.2. the work of the Independent Internal Auditor

4.1.3. the External Auditors through the Annual Return and their annual letter

4.1.4. the number of significant issues that are raised during the year.

5. Review of the Statement

This statement was accepted by the Parish Council at its meeting on 10th April 2025 and will be reviewed annually.

Signed: Dated: 10th April 2025

Cllr S Peacock; Chair of the Council

Appendix 1

WESTERN VALLEY
Parish Council

Internal Controls Checklist

Internal Controls Method	ICC Initials & Date			
	Q1	Q2	Q3	Q4
Accounting records: • All credits and payments are inputted into the accounting software immediately. • All transactions are shown to be cross referenced against bank statements. • Receipts are issued where required/requested. ***Method:*** *randomly selected invoices to be cross referenced against Financial Report, Day Book and Bank Statements. Review any outstanding invoices.*				
Payments: • All invoices for payment are printed and filed, invoices are attached to each Scribe entry. • All payments are listed in the Financial Report and approved at each meeting of the full Council. • The Financial Report is included in the meeting minutes. ***Method:*** *randomly selected invoices to be cross referenced with the relevant meeting minutes to confirm Council approval, and verify included in Scribe.*				
Cheques: • All cheque stubs are signed by two Councillors • Cheque numbers are included on the invoice and the Financial Report. ***Method:*** *cross reference random cheque payments with invoices and the relevant meeting minutes to confirm Council approval.*				
VAT: • The accounting software separates VAT amounts for relevant invoices. • VAT is reclaimed quarterly. ***Method:*** *check the Day Book for invoices that include VAT.*				
BANK RECONCILLIATION: • The cashbook is checked against the monthly bank statements. • The account balance is included on the Financial Report. • All unpresented cheques are listed in the Financial Report. ***Method:*** *check that all Bank Statements have been cross referenced with transactions in the Day Book and that the account balance values are the same.*				