**Upton with Fishley 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.

Two councillors, out of three named signatories, must sign all cheques and other financial documents. Online payments may be made jointly by the clerk and the chairman following authorisation by a meeting of the Parish Council.

The clerk may carry out transfers within the Parish Council’s bank accounts.

The cheque signatory shall check the supporting document at the time of signing a cheque, to ensure that the cheque 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.

The clerk will email the list of online payments, together with the relevant invoices, to the councillors in advance of the Parish Council meeting.

The list of authorised online payments will be checked to the bank statement by a councillor who is not a cheque signatory to ensure that payments were made to the correct person or company and an email confirming this check will be filed in the Council’s accounts file

A councillor shall review the clerk’s bank reconciliations at least quarterly, including at the year-end, and shall email the clerk as evidence of this check. This email will be filed in the Council’s accounts file.

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. The RFO shall report all income and all payments to the Council.

In December, the Council shall review the budget in detail and shall decide on the precept for the forthcoming year.

**Internal audit:**

The Council has appointed an independent and competent internal auditor 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: Philip Armes Signed: Pauline James

Chairman Responsible Financial Officer

Dated: 4th February 2021 Dated: 4th February 2021