



Statement of Internal Controls

Introduction

Ramsden Crays Parish Council (the Council) is a local authority funded by public money and is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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 which facilitates the effective exercise of the Council's functions which includes arrangements for the management of risk.

The Council is required to review at least annually the effectiveness of its system of financial control. The review is based on the comments of the internal auditor, Parish Councillors who have the responsibility for the development and maintenance of the internal audit environment and also any comments made by the external auditors in their financial report.

The Purpose of the System of Internal Control

The Council's system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them effectively and economically.

Internal controls are set up by the Responsible Financial Officer (RFO) but it falls to the Council members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures, examination of financial comparisons and the recording of assets and liabilities. It will also include identification and evaluation of risks, to enable the risk to be managed efficiently, effectively and economically.

The Internal Control Environment

The Council adopted the current Financial Regulations on 7th April 2025 which sets parameters for the Council's financial operations. These are reviewed and approved in April each year.

The Council

The Council is responsible for:

- Establishing and monitoring the achievements of the authority's objectives
- The facilitation of policy and decision making
- Ensuring compliance with established policies, procedures, laws and regulations
- Identification and management of risk
- Ensuring the best value and value for money are achieved in all purchases
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of the Council

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 also the Council's Responsible Financial Officer and is responsible for implementing the Council's financial systems and control. The Clerk is responsible for advising on the day to day compliance with laws and financial regulations that the Council is subject to. The Clerk also provides advice to help the Council ensure that its financial procedures, control systems and policies are adhered to.

Internal Financial Control

The Clerk provides a quarterly income/expenditure statement at quarterly Parish Council meetings which is approved by members and subsequently minuted.

All expenditure is via cheque or online bank transfer and there is no petty cash.

Two Councillors out of the five approved Councillors have to sign each cheque and cheque stub or online banking instruction before any money can be paid.

The Clerk's salary and expenses sheet are prepared by the Clerk and checked and signed by two Councillors signing the cheque or online banking instruction.

Internal Audit

The Council has appointed an independent internal auditor to audit the Council of the adequacy of its records, procedures, systems and internal controls and risk management.

The independent internal auditor will inspect the accounts at the year end and complete page 4 of the Annual Return. The independent internal auditor will write a separate report to the Council detailing any findings they might have.

The annual report of the independent internal auditor is copied to all members of the Council and considered as an agenda item at the next full Council meeting. Recommendations from the report are acted upon and recorded in the minutes.

External Audit

Ramsden Crays Parish Council is a small authority and exempt from external audit. The Clerk/RFO will prepare an Annual Governance and Accountability Return (AGAR) which certifies the Parish Council as exempt from the appointed auditor's review. The AGAR will be published with a Notice of Public Rights and Publication of Annual Governance & Accountability Return (Exempt Authority) following completion of the internal audit.

Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should also include a review of the effectiveness of internal audit. Recommendations from the annual review are acted upon.

This policy was adopted by Ramsden Crays Parish Council on November 10th, 2025.