

**CHEVENING PARISH COUNCIL**  
**STATEMENT ON INTERNAL CONTROL**  
**FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020**

**1. SCOPE OF RESPONSIBILITY**

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 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**

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 has been in place at the Council for the year ended 31 March 2020 and 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 appointed a Chairman who was responsible for the smooth running of meetings and for ensuring that all Council decisions were lawful.

The Council reviewed its obligations and objectives and approved budgets for the following year at the January meeting. The same meeting of the Council approved the level of precept for the following financial year.

The Council appointed a Finance Working Party (FWP) of Members who communicate regularly. The Chairman of the FWP monitored progress against objectives, financial systems and procedures, budgetary control and carried out regular reviews of financial matters. The recommendations of the Finance Working Party were reported to the Council.

The full Council met eleven times during the year and monitored progress against its aims and objectives by receiving quarterly financial reports.

The Council carried out an annual review of its internal controls, systems and procedures.

**Clerk to the Council / Responsible Financial Officer:**

The Council has 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. Two Members of the Council sign the list of electronic payments to be made and every cheque after reviewing relevant invoices.

### **Risk Assessments / Risk Management:**

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

### **Internal Audit:**

Ms Julia Chamberlain was appointed as the Independent Internal Auditor - a person with no relationship to the Council or any member and by experience adjudged to be competent. Her duties are to report to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

Ms Chamberlain's report will be submitted before the Annual Report to PKF Littlejohns is due.

### **External Audit:**

The Council's External Auditors, PKF Littlejohns, 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 was informed by the work of:

- the full Council;
- the Finance Working Party;
- the Clerk to the Council / Responsible Financial Officer who had responsibility for the development and maintenance of the internal control environment and managing risks;
- the independent Internal Auditor who reviewed the Council's system of internal control;
- PKF Littlejohns, the Council's external auditors, who will 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 Littlejohns will issue an annual audit certificate;

## **5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No significant internal control issues were identified during the 2019/20 Financial Review.

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(Signatures of the Council's Chairman and Responsible Financial Officer / Clerk and date)