



Adequate and Effective Systems

	Date	Minute Reference	Amended
Adopted:	May 2019	FR19-11	No
Reviewed Annually:	May 2021	FR21-141	No
	May 2022	FR22-191	No
	May 2023	FR23-271	No
	May 2024	FC24-781	No
Next Review	May 2025		

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Adequate and Effective Systems:

a. The Effectiveness of the System of Internal Audit

The Parish Council is required to carry out, at least annually, a review of the effectiveness of its system of internal audit. The system of internal audit at Galleywood Parish Council currently consists of:

1. Appointment of Internal Auditor;
2. One visit after the end of the financial year when the year-end accounts have been completed;
3. Ensuring the work covered during the visits is wide-ranging and includes the proper treatment of receipts and payments; bank reconciliations; payroll; petty cash; adherence to statutory requirements; financial procedures; systems and regulations; insurance; assets; risk management; budget setting and monitoring and VAT;
4. Receipt of a report from the Internal Auditor after each visit, stating the areas covered and the findings and making any necessary recommendations for change;
5. Sending all Members of the Parish Council a copy of the report;
6. Reporting any recommendations to the Finance and Resources Committee;
7. Acting upon any decisions made by the Committee in respect of the recommendations.

As detailed in the Internal Auditor's reports, the work carried out by them in the last twelve months has included detailed reviews and inspections of:

- i. Accounting arrangements and bank reconciliations;
- ii. Corporate Governance;
- iii. Review of expenditure;
- iv. Assessment and management of risk;
- v. Precept determination and budgetary control.

b. The Effectiveness of the System of Internal Control

The Parish Council is required to carry out, at least annually, a review of the effectiveness of its system of internal control. The system of internal controls at Galleywood Parish Council currently consists of:

1. Appointment of Clerk/Responsible Financial Officer;
2. Adoption of Code of Conduct for Members and employees;
3. Standing Orders and Financial Regulations;
4. Review of internal audit arrangements and reporting;
5. Safe and efficient arrangements to safeguard public money;
6. Regular scrutiny of financial records and proper arrangements for the approval of expenditure;
7. Regular employer returns to HM Revenue and Customs;
8. Completion of annual vat return and training the Clerk/Responsible Financial in matters of VAT and other taxation issues as necessary;
9. Regular budget monitoring statements;
10. Procedures for dealing and monitoring the Parish Council's Grants Scheme;
11. Minutes properly numbered and paginated with a master copy kept in safekeeping;
12. Documented procedures for document receipt, circulation, response, handling, and filing;
13. Procedures in place for recording and monitoring Members' Interests and Gifts and Hospitality received.

STATEMENT OF INTERNAL CONTROL

1. Scope and Responsibility

Galleywood Parish 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, Galleywood Parish Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Parish Council's functions, and which includes arrangements for the management of risk.

2. Purpose of the Systems of Internal Control

The system of internal control is designed to manage risk at a reasonable level rather than to eliminate all risks 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 on-going process designed to identify and prioritise the risks to the achievement of the Parish 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 effectively and economically.

3. The Internal Control Environment

The system of internal control is based on a framework consisting of the Code of Conduct, internal regulations (including but not limited to Financial Regulations) and administrative procedures. It is further enhanced by the regular provision of management and financial information as appropriate to fit the Parish Council's policy of delegation and responsibility. The system is constantly monitored by members as well as officers within the Parish Council. In particular, the system incorporates:

- Budgeting systems.
- Regular reports of service delivery.
- Preparation and dissemination of regular financial reports comparing actual expenditure against forecasts.
- Regular review of such reports by officers, and by members in Committee and Council.

4. Review of Effectiveness

The authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review is informed by the work of:

- The Council and its Committees.
- The Clerk/Responsible Financial Officer.
- The Internal Auditor.
- The External Auditor.