

## **LYMPSTONE PARISH COUNCIL,**

**APPROVED by Finance Committee 25<sup>th</sup> November 2008**

### **Risk Management - Review of system of internal controls**

The Accounts and Audit Regulations require the Council to review its system of internal controls at least once each year and to publish a statement of assurance with the annual accounts.

Guidance suggests that the review should cover the following.

**The scope of internal audit** – This includes financial regulations, financial systems, accounting systems, reporting and internal audit. This is considered to be adequate although the Financial Regulations are a generic version and are in need of updating to meet the current needs of the Parish Council.

**Independence** – The Internal Auditor is fully independent of the Council and is able to report to the Council in his own name.

**Competence** – The Council is aware of Mr Hinchcliffe's experience

**Relationships** – The Clerk must be consulted if the Council wished for there to be any change in this or additional emphasis placed on any aspect of Parish Council business. Councillors are aware that they should not approach the Internal Auditor on any matter without the prior consent of the Clerk and the Parish Council.

*The Audit process also requires the Council to review other aspects of its activities that lead up to the Internal Audit.*

<i>Review of Risk Management</i>	<i>All Members have a copy of the Risk Management plan It is reviewed annually</i>
<i>Review of Insurances</i>	<i>This was carried out and the extent of cover was reviewed</i>
<i>Review of Clerk's Terms and Conditions</i>	<i>All Members have a copy. No changes are requested.</i>
<i>Review of Internal Controls</i>	<i>These are set out below.</i>
<i>Receive report of Internal Auditor</i>	<i>The report on last years accounts was received in June 2009</i>
<i>External Audit</i>	<i>This report was received in September 2009</i>

#### ***Internal controls:***

*In addition to the Internal Auditor the following controls apply;*

- 1. All payments must be approved by the Council. In an emergency or during the summer break, payments may be authorised by the Chairman and Vice-Chairman. These will be identified separately in the next Finance report to the Council.*
- 2. The Clerk holds the cheque book but is not a signatory to the account.*
- 3. All cheques must be signed by two Councillors.*
- 4. The voucher for payment is presented at the time that the cheque is requested.*
- 5. A financial summary is presented to each Council meeting, including the bank reconciliation. The relevant bank statement is also available for Members to inspect at each Council meeting.*
- 6. With regard to the Deposit account, all payments into this account shall be from the current account and all withdrawals will be payable to Lymptstone Parish Council and paid into the current account.*

*The Council is RECOMMENDED to note the items as set out above and to confirm the Clerk's terms of appointment.*