



STATEMENT OF INTERNAL CONTROLS

**Reviewed and adopted on
15th August 2023**

Introduction

Odiham 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 as well as being 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.

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:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically.

The Council's Internal Controls

Decisions

The Council has elected a Chair who is responsible for the smooth running of meetings and appointed a Parish Clerk to advise the Council for ensuring that all Council decisions are lawful. The Parish Clerk is also the Responsible Financial Officer.

Responsibility

The Finance Committee meets at least quarterly and reviews and recommends all OPC's financial matters, unless required by full Council as specified by law.

The Council carries out regular reviews of its internal controls, systems and procedures.

The Committees carry out regular reviews of their relevant budget codes and recommends budget provision in line with their committee's service provision and strategic aims.

OPC has adopted a Strategic Plan which is regularly reviewed by the Strategy Working Group or full Council.

Budgets and Precepts

OPC reviews its obligations and objectives before determining the level of precept and individual budgets for the following financial year. All Councillors are invited to a budget workshop and the Finance Committee reviews the draft budget before being presented to full Council at its January meeting.

Management of Financial Records

OPC employs a Parish Clerk who acts as the Responsible Financial Officer where specified in law. The Parish Clerk holds qualified Clerk's status and is responsible for advising the Council, processing payments and preparing financial records.

The Parish Clerk is responsible for managing Scribe, OPC's chosen accounts program, which is used to record payments, manage OPC's budgets, generate reports, reconcile accounts, complete the end of year audit papers and to submit VAT returns to HMRC.

Payments

In most cases, invoices are input into Scribe and a monthly Payments Listing presented to full Council or the Finance Committee, whichever is sooner, for decision before payments are made. Where urgent payments are required to meet contractual obligations, the Clerk may seek approval from cheque signatories by email and payments are reported to the next available meeting.

Payments are made by BACS from OPC's main current account, Unity Trust. Payments are first set up by the Parish Clerk then authorised by two Councillors with cheque signatory rights and OPC aims to rotate those Councillors authorising payments regular basis. There are 4 Councillors with approval rights who are agreed at each annual council meeting.

Bank Reconciliations

The Parish Clerk carries out monthly bank reconciliations on all accounts and these are reported to the Finance Committee on a quarterly basis, then countersigned by the Finance Committee Chair, or other committee member agreed by resolution

The Council as an Employer

The Staffing Committee is responsible for monitoring the Staffing budget including recommending the Clerk's salary which is then determined by full Council.

The Parish Clerk is responsible for determining salary levels for other staff in line with budgets and in consultation with the Staffing Committee.

References are obtain for all staff appointments.

OPC is registered with HMRC and uses the HMRC Payroll system to calculate payments. Monthly salary payments are included on the monthly Payments Listing and payments processed by BACS.

Staff may reclaim any purchases made on the Council's behalf, subject to the purchase having been previously been agreed by a line manager.

Staff and Councillors may claim reasonable and justifiable expenses incurred, including as a result of travelling to meetings/training/events which have been agreed by a line manager:

- For cars - 45p per mile up to 10,000 mile.
- Meal allowance: up to £10.00 per day and up to £25.00 per 24 hour period when an overnight stay is required.

Expense reclaim forms are countersigned by the Parish Clerk or the Chair of the Council.

Management of Risk

OPC has a Council Risk Assessment which is reviewed and agreed by full Council every year.

OPC's insurance cover is provided by Zurich Ltd and reviewed annually to ensure adequate cover.

OPC appoints an independent Internal Auditor who reports to the Council on the adequacy of its: financial records, procedures, systems, internal control and management of risk. This appointment is reviewed and agreed annually.

OPC is subject to an annual, external, Intermediate Audit Review which is undertaken by the Council's External Auditors, BDO Ltd.