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STATEMENT OF INTERNAL CONTROL / RISK MANAGEMENT
FRAMWELLGATE MOOR PARISH COUNCIL

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2026

SCOPE OF RESPONSIBILITY

Framwellgate Moor Parish Council is a local authority funded largely by public money and 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, Framwellgate Moor Parish 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 Council acknowledges its responsibility to identify, assess and manage financial, operational, legal, governance, reputational and information technology risks in accordance with the Accounts and Audit Regulations 2015 and the Practitioners' Guide Governance and Accountability for Smaller Authorities in England.

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 Council's system of internal control includes:

- regular review of financial regulations and standing orders;
- annual review of the Corporate Risk Register;
- budget monitoring and bank reconciliation procedures;
- internal and external audit arrangements;
- asset management and insurance review;
- data protection and cyber security controls;
- publication of information in accordance with the Transparency Code for Smaller Authorities.

The system of internal control will be in place at the Council for the year ended 31 March 2026 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils. It will be reviewed in March 2027.

The effectiveness of the system of internal control will be reviewed annually by the Council and recorded in the minutes of the Council meeting.

THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its December or January meeting. The meeting of the Council in December 2025 approved the level of precept for the following financial year. The Council has an appointed Financial Responsible Officer reporting monthly to the Meeting of the Council. The RFO/Clerk has delegated powers to incur expenditure on urgent health and safety matters up to £1000 or £1000 on other matters to be ratified at the next following Council meeting.

All expenditure is to be approved by full Council unless delegated within the Council's Financial Regulations.

The Council undertakes regular reviews of its governance arrangements, policies, procedures and internal controls to ensure they remain effective and proportionate to the activities of the Council.

Clerk to the Council / Responsible Financial Officer

The Clerk also has the role of Responsible Financial Officer to the Council and acts as the Council's advisor and administrator. The Clerk/Responsible Financial Officer is responsible for administering the Council's finances. The Clerk/RFO is responsible for advising on the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk/RFO also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

The Clerk/RFO is also responsible for maintaining appropriate financial records, ensuring statutory publication requirements are met, supporting compliance with the General Data Protection Regulation (GDPR), and ensuring adequate arrangements are in place for the secure retention and backup of electronic records.

Payments

All expenditure must be authorised by the Council, or (as set out above) by the Clerk/RFO after consultation with the appropriate Chair. All items of expenditure must be recorded on an official List of Payments. The list of payments is to be circulated to all Council Members three days prior to the monthly meeting (currently listed on the agenda). The Clerk is a signatory to allow direct dealings with the Bank and prepares but does not sign cheques.

Via Cheque – there are no cheques transactions

For transactions through Internet banking (preferred method of payment) the Clerk/RFO has authority to make payments which must be authorised by one of two Councillors who, by resolution of the Council, is a signatory on the Parish bank account. All signatories are sent a copy of the payments to authorise. Dual authorisation is maintained for online banking transactions wherever possible.

Controls

All receipts and payments are reported to the Council via the Minutes. All payments received to be banked within 7 days of receipt.

Bank reconciliations are completed monthly and reported to Council.

Monthly budget monitoring information is presented to Members during the financial year.

Asset Register

The Clerk/RFO to update as and when necessary and to be approved annually.

The Council maintains appropriate insurance cover for its assets and liabilities and reviews insurance arrangements annually prior to renewal.

Risk Assessments / Risk Management

The Clerk/RFO will report on risk assessment to the Meeting as and when necessary.

The Council maintains a Corporate Risk Register which is reviewed annually and whenever significant operational changes occur.

The Parish Council maintains insurance arrangements through Clear Councils in respect of its activities, assets and liabilities. Insurance arrangements are reviewed annually prior to renewal and currently include:

- Public Liability Insurance
- Employers' Liability Insurance
- Fidelity Guarantee cover
- Property and asset cover
- Legal Expenses cover
- Cyber and data-related protections where included within policy arrangements

The Council recognises the importance of information security and secure electronic communications. Councillors are encouraged to use official parish council email addresses for Council business in accordance with government guidance.

The Council maintains arrangements for secure off-site backup and storage of electronic records.

The Council regularly reviews the adequacy of insurance cover in relation to its activities, assets, services and risk profile.

Internal Audit

The Council has appointed an Independent internal auditor, Mr Gordon Fletcher, who will report to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The Internal Auditor carries out an annual independent review of the Council's governance, accounting records and internal control arrangements in accordance with proper practices.

External Audit

The Council's appointed External Auditor is Forvis Mazars LLP, who undertake the limited assurance review of the Annual Governance and Accountability Return (AGAR).

The Council ensures that the exercise of public rights is undertaken in accordance with statutory requirements and that all required AGAR documentation is published on the Council website within the required timescales.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, including the effectiveness of internal audit and risk management arrangements.

The review of effectiveness is informed by:

- the work of the Clerk/RFO;
- the work of the Internal Auditor;
- the External Auditor’s reports and recommendations;
- reviews of policies, procedures and risk assessments;
- and Member oversight throughout the year.

The Council acknowledges that internal control is an ongoing process designed to identify and manage risks appropriately rather than eliminate all risk entirely.
The results of the review must be considered by the Council and recorded in the minutes.
The Council must also approve this Statement of Internal Control annually.

<u>Adopted June 2026 to be reviewed annually in June.</u>