

**Kempley Parish Council**  
**Statement of Internal Control**  
**Review as to the effectiveness of the system of internal controls**  
 Adopted at a Meeting of the Parish Council 19<sup>th</sup> May 2025  
 Next Scheduled review 2026

**Scope and Responsibility**

Kempley Parish Council is responsible for ensuring that business is conducted in accordance with the law and proper standards; and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance.

**Purpose of the System of Internal Control**

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives; and to evaluate and manage those risks accordingly.

**Review of Effectiveness**

An annual review to be undertaken by two members of the council annually. In addition, it is the responsibility of council to review the Risk Management Plan on an annual basis.

| No. | Area               | Question   | Yes/No | Recommendation for Action (if required) |
|-----|--------------------|--|--------|---|
| 1.  | Budgetary controls | Has council prepared an annual budget in support of its precept?           |        |   |
|     |                    | Is actual expenditure against budget regularly report to council?          |        |   |
|     |                    | Are there any significant unexplained variances from budget?               |        |   |
| 2.  | Income controls    | Is income properly recorded and promptly banked?                           |        |   |
|     |                    | Does the precept recorded agree to Council Tax authority's notification?   |        |   |
| 3.  | Payroll controls   | Does employee have contract of employment with clear terms and conditions? |        |   |
|     |                    | Do salaries agree with those approved by chairman?                         |        |   |
|     |                    | Have PAYE/NIC been properly operated by the council as an employer?        |        |   |

|           |   |  |  |  |
|-----------|---|--|--|--|
| <b>4.</b> | Assets controls   | Does the council maintain a register of all material assets owned or in its care?      |  |  |
|           |   | Are the assets and investment registers up to date?                                    |  |  |
|           |   | Do asset insurance valuations agree with those in the asset register?                  |  |  |
| <b>5.</b> | Bank Reconciliation   | Is there a bank reconciliation for each account?                                       |  |  |
|           |   | Is a bank reconciliation carried out regularly?  |  |  |
|           |   | Are there any unexplained balancing entries in any reconciliation?                     |  |  |
|           |   | Is the value of investments held summarised on the reconciliation?                     |  |  |
| <b>6.</b> | Year-End Procedures   | Are year-end accounts prepared on the correct accounting basis (receipts and payments) |  |  |
|           |   | Do accounts agree with cashbook?   |  |  |
|           |   | Is there an audit trail from underlying financial records to the accounts?             |  |  |
|           |   | Where appropriate, have debtors and creditors been properly recorded?                  |  |  |
| <b>7.</b> | Proper Bookkeeping  | Is the cashbook maintained and up-to-date?   |  |  |
|           |   | Is the cashbook arithmetically correct?  |  |  |
|           |   | Is the cashbook regularly balanced?  |  |  |
| <b>8.</b> | Standing Orders and Financial Regulations adopted and applied | Has council formally adopted standing orders and financial regulations?                |  |  |
|           |   | Has a Responsible Financial Officer been appointed with specific duties?               |  |  |
|           |   | Have items or services above the de minimus amount been competitively purchased?       |  |  |
| <b>9.</b> | Payment controls  | Are payments in the cashbook supported by invoices, authorised and minuted?            |  |  |
|           |   | Is S137 expenditure separately recorded and within statutory limits?                   |  |  |
|           |   | Has VAT on payments been identified, recorded and reclaimed?                           |  |  |

|            |                              |   |  |  |
|------------|------------------------------|---|--|--|
| <b>10.</b> | Risk Management Arrangements | Does a review of minutes identify any unusual financial activity?         |  |  |
|            |                              | Do minutes record regular reviews of Risk Register by council?            |  |  |
|            |                              | Do minutes record annual risk assessments by council?                     |  |  |
|            |                              | Is insurance cover appropriate and adequate?                              |  |  |
|            |                              | Are Internal Financial Control Reviews documented and regularly reviewed? |  |  |

**Internal Control Review to be undertaken by two members of Kempley Parish Council annually**

**We confirm we have completed the above review**

**Councillor:** .....

**Print Name:** .....

**Councillor:** .....

**Print Name:** .....

**Date:** .....

**Next Internal Control Review due:** .....