



VIGO PARISH COUNCIL

Internal Control Statement

Reviewed and agreed by Vigo Parish Council at the Annual Parish Council Meeting on 8th May 2025

SCOPE OF RESPONSIBILITY

Vigo Parish Council (VPC) 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.

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 includes arrangements or the management of risk.

THE PURPOSE OF THE SYSTEM OF THE INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than 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.
- Evaluate the likelihood of those risks being realised and the impact should they be realised.
- Manage them efficiently, effectively, and economically.

THE COUNCIL'S INTERNAL CONTROLS

The Council

The Council has elected a chairman who is responsible for the smooth running of meetings.

Full Council meets on a monthly basis (except in August) and it receives the Minutes of the previous meetings.

The Council reviews its obligations and objectives and approves the budget and precept for each financial year which enables the precept calculation to be completed. The budget and precept are usually approved at the Full Parish Council meeting in December.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters, receiving a regular (quarterly) Actual vs Budget Spend analyses from the Clerk / RFO.

The Council has in place (amongst others) standing orders, financial regulations, risk management and a scheme of delegation to ensure the secure, effective, and efficient use of Council resources.

No expenditure may be incurred unless by way of authorised delegated authority of the Clerk or by agreement of full Council.

A Councillor (who is not the chair, nor a cheque signatory) is appointed to have responsibility for checking the financial records, including the bank reconciliation, cash book and invoice files. This Councillor reports back to Full Council to confirm this has been carried out.

Clerk to the Council and Responsible Finance Officer

The Council has appointed a Clerk who is the Proper Officer to the Council, and who acts as the Council's advisor and administrator.

The Clerk is responsible for advising on day-to-day compliance with laws and regulations that the council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

The Clerk is appointed as the Council's Responsible Finance Officer (RFO). The RFO is responsible for administering the Council's finances, including (but not limited to):

- Preparing a monthly bank reconciliation
- Ensuring that the cash book is kept up to date and records all payments made and income received.
- Completion and preparation of the year end Accounting Statement and supporting documents for the External Auditor.
- Recording and updating the Council's Asset Register.

Payments and Income

To minimise the risk of inaccuracy or fraud, the Council has the following procedures:

- All expenditure must be authorised by the Council or by the Clerk by way of delegated authority.
- The RFO submits a financial report to Full Council, which gives a detailed list of payments.
- The list is approved by resolution and then signed by the Chair of the meeting (immediately below the last item on the list)
- The Council does not use cheque payments.
- All electronic payments are set up by the RFO and authorised by TWO Council Members.
- All regular payments (standing orders / direct debits) are authorised by two Council Members.
- There are FOUR Council Members who are able to authorise payments. The members who authorise payments are agreed at each meeting and rotated on a regular basis.

Risk Management/Risk Assessment

Vigo Parish Council have adopted a risk management strategy (which includes Financial Control) and has compiled risk assessments for relevant risks and activities. This Risk Management Schedule is reviewed and approved at every Annual Council meeting.

Contracts

Procedures as to contracts are laid down in the Council's Standing order and Financial Regulations.

Internal Audit

Vigo Parish Council appoint an independent, competent internal auditor (usually in May). An internal audit is carried out annually and reports to the council on the adequacy of:

- Records
- Procedures
- Systems
- Internal Controls
- Regulations
- Risk Management

External Audit

The Council's external auditors submit an annual Certificate of Audit which is reported to Full council and published with the Annual Governance & Annual Return (AGAR).

Review of Effectiveness

Vigo Parish Council has a responsibility for conducting an annual review of the effectiveness of its systems of internal control. The review of the effectiveness of the system of internal control is monitored and informed by:

- The Clerk to the Council
- The work of the Independent Auditor
- The External Auditor (through the Annual Return)
- The number of significant issues that are raised throughout the year.