

**BRETtenham and KILVERSTONE PARISH COUNCIL  
ANNUAL REVIEW of INTERNAL CONTROLS**

**The Accounts and Audit Regulations 2003:**

“(1) The relevant body shall be responsible for ensuring that the financial management of the body [PC] is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk.

(2) The relevant body shall conduct a review at least once a year of the effectiveness of its system of internal control.”

**Internal Control:**

The system of internal control is designed to reduce the financial risk of the PC to an acceptable level.

**Financial Management:**

The PC has approved a set of financial standing orders which set out the way that the Council’s finances are to be managed. These are reviewed and approved once a year.

Two councillors, out of four named signatories, must sign all cheques and other financial documents. The Clerk may not authorise payments but may carry out transfers within the PC’s bank accounts.

The cheque signatory shall check the supporting documentation at the time of signing, to ensure that the cheque agrees with the amount of the invoice and the payee on the invoice. The cheque stub should be initialled to record that the name on the cheque stub is the same as that on the cheque.

At the year end, the Chairman shall ensure the cash book totals are reconciled to the year-end bank statement and shall sign the cash book as evidence of this check.

The Clerk is the Responsible Finance Officer (RFO) and is responsible for the day to day financial management of the PC. The duties of the RFO are reviewed and approved annually. The RFO shall report all payments to the PC.

In January, the PC shall review the budget in detail and shall decide on the Precept for the forthcoming year.

**Internal Audit:**

The PC has appointed an independent and competent internal auditor and carries out a review of the effectiveness of the internal audit once a year. The Internal Auditor reports his/her findings to the full PC and completes the annual internal audit report of the Annual Return.

**External Audit:**

There is no requirement for an External Audit, but an equivalent Annual Return is to be produced.

**Review:** This review shall be carried out once a year and recorded in the PC’s minutes.

Signature \_\_\_\_\_  
Name:

**Chairman**

Signature: \_\_\_\_\_  
Name:

**Vice Chairman**

**PC Meeting date:** 14<sup>th</sup> May 2024