

# **DUNKIRK PARISH COUNCIL ANNUAL GOVERNANCE STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2023**

## **1. SCOPE OF RESPONSIBILITY**

Dunkirk Parish Council (the 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, and 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, including the preparation of the accounting statements as required by Section 1 of the Annual Governance and Accountability Return - Annual Governance Statement and its 9 "assertions". Please note that assertion 9 in relation to trust funds is not applicable for DPC.

## **2. 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 has in place a set of Standing Orders and Financial Regulations (assertions 1), which set out the general rules applicable at council and committee meetings and in carrying out the council's business. These two documents, are reviewed on a regular basis and influence the system of internal controls in place. The Financial Regulations were amended to include internet banking. There is also monthly sight and confirmation of bank statements along with a bank reconciliation.

## **3. THE INTERNAL CONTROL ENVIRONMENT (assertion 2 & 6)**

The system of internal control has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual governance statement and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

### **The Council:**

The Council has appointed a Chairman who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and approved budgets for the following year at its December 2022 meeting. The December meeting of the Council approved the level of precept for the following financial year.

The full Council meets twelve times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk and other Council Members.

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

### **Clerk to the Council / Responsible Financial Officer:**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to (assertion 3).

**Payments:**

All payments are reported to the Council for approval. Two Members of the Council must authorise every cheque and there is two signatory authorization for online banking. Any standing orders & direct debit arrangements are reviewed annually (assertion 1).

**Income:**

All income is received and banked in the Councils' name in a timely manner and reported to the Council at the next meeting.

**Risk Assessments/ Risk Management/Risk Register:**

The Council carries out regular risk assessments, identifying risks, assessing risks, addressing risks and reviewing and reporting these risks in a risk register (assertion 5).

**AGAR:**

The legal requirements regarding auditing and public notice of the accounts were carried out to ensure there was proposer opportunity for the exercise of electors rights (assertion 4)

**Internal Audit:**

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system and audit plan is reviewed annually (assertion 6). All matters raised in reports from the internal audit from the 2021-2022 Financial Year were reviewed and acted upon. A DPI link to the Swale BC website was added to DPC website.

**External Audit:**

The Council's External Auditors, Mazars will submit an annual report and Certificate of Audit, which is presented to the Council. In the 2021-2022 Financial Year, DPC was exempt.

**4. REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- the full Council;
- the Clerk to the Council / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the Independent Internal Auditor who reviews the Council's system of internal control;
- the number of significant issues that are raised during the year.

**5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No significant internal control issues were identified during the 2022-23 financial year (assertion 8) .

Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has addressed all the minor issues and weaknesses raised and reported during the review process.

Chair  
Dunkirk Parish Council

Clerk  
Dunkirk Parish Council

Date