Newton St Cyres Parish Council – Statement on Internal Control

1. **Scope of Responsibility**

Newton St Cyres 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, 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 which includes arrangements for the management of risk.

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:

a) Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
b) Evaluate the likelihood of those risks being realised and the impact should they be realised
c) Manage them efficiently, effectively and economically.

The annual report and accounts accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils 2018/19

3. The Council's Internal Controls

a) The Council

The Council has elected a Chairman who is responsible for the smooth running of meetings
The Council reviews its obligations and objectives and approves a budget for each financial year which enables the Precept calculation to be completed.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The full Council meets on a monthly basis (first Thursday, save for August and January when a meeting will not be held unless agreed by full Council) and it receives the Minutes of the previous meetings. The council also monitors progress by receiving relevant reports from County and District Councillors and from the Police.

No expenditure may be incurred unless by way of authorised delegated authority of the Clerk or by agreement of full Council. Virement, from budget line to budget line, can be approved by full Council if deemed necessary and appropriate. The council carries out regular reviews of its internal controls, systems and procedures.

b) Clerk to the Council/Responsible Finance officer

Date of commencement of Employment 1 April 2013.

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 the management and administration of the Council's finances. The Clerk 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 also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

b) Payments

Authorisation: All expenditure must be authorised by the Council (or by a Committee having delegated authority), or by the Clerk by way of delegated authority.
Recording/reporting: All payments and receipts are entered into the Council's accounting system. All receipts are reported to the Council. A copy of all payments is kept with the invoices on a month by month basis. The bank balance is reconciled monthly.
Method: All payments are made by cheque. The Council currently has no Standing Orders or Direct Debits set up on its accounts for regular payments. The signatories check each cheque for payment against the original relevant invoice, signing the invoice, the cheque and cheque book stub.
Mandate: Two members of the Council must authorise every cheque
Reconciliation: The Council checks the bank reconciliation against the Council's bank account statement quarterly

d) Contracts
Procedures as to contracts are lad down in the Council's Standing Orders and Financial Regulations. The Council oversees all contract procedures.

e) Internal Audit
The Council has appointed Mrs Daphne Clague as its independent internal auditor until further notice who will report to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. The effectiveness of the internal audit is reviewed.

f) External Audit
The Council has been appointed External Auditors Littlejohns of Canary Wharf, London until further notice.

4. Review of effectiveness

Newton St Cyres Parish Council has 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 controls is monitored and informed by:

- The Clerk to the Council
- The work of the Independent Internal Auditor
- The External Auditors through the annual return
- The number of significant issues that are raised during the year