

NEWTON ST LOE PARISH COUNCIL

STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2019

SCOPE OF RESPONSIBILITY

Newton St Loe 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, Newton St Loe Parish Council ('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.

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 system of internal control has been in place at the Council for the year ended 31 March 2019 and up to the date of approval of the annual accounts and accords with proper practices as set out in *Governance and Accountability for Smaller Authorities in England* (2018 edition).

THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council reviews its obligations and objectives regularly and approves a budget for the following year at its December or January meeting. The meeting of the Council on 17 January 2019 approved the budget and determined the precept¹ for 2019/20.

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

¹ The precept is the 'council tax requirement', the amount required by the Council to fund its expenditure. It forms part (but a very small part) of the council tax bill sent by Bath and North East Somerset Council to residents of the parish.

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 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.

Payments

All expenditure must be authorised by the Council, or by a committee having delegated authority, or (if permitted by the Council's Financial Regulations) by the Clerk after consultation with the appropriate Chair.

All receipts and payments are reported to the Council. Two members of the Council must sign every cheque or order for payment. The signatories check each cheque against the relevant invoice (which has already been signed by the Clerk), sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No member of staff of the Council can make payments or sign cheques.

Risk Assessments/Risk Management

The Clerk will report on risk assessment to the Council at least once a year. The last report was on 21 March 2019.

Internal Audit

The Council has appointed an independent internal auditor who will report to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

External Audit

The Council is permitted to certify as exempt from external audit. The external auditors will not comment unless an elector makes an objection to the accounts.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement on Internal Control.

(Chairman)

(Responsible Financial Officer / Clerk)

Approved and adopted by Newton St Loe Parish Council

9 May 2019