

# **WELSHAMPTON AND LYNEAL PARISH COUNCIL**

## **STATEMENT OF INTERNAL CONTROL YEAR ENDING 31 MARCH 2015**

### **Scope of Responsibility**

Welshampton and Lyneal Parish 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 as required by Section 2 of the Annual Return – Annual Governance Statement.

### **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 designed to ensure that the Council's activities are carried out properly and as intended. This includes oversight that the Council is acting within its powers and is compliant with legislation. Internal controls are determined by the Clerk in his/her capacity as Responsible Financial Officer but it falls on the Council to ensure it has approved the controls and monitors their implementation. Monitoring will include the checking of routine financial procedures: the examination of financial comparisons, the recording of assets and liabilities, the identification, evaluation and impact of risks and to manage them efficiently, effectively and economically.

### **The Internal Control Environment**

#### The Council

- The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that, with the assistance of the Clerk, all Council decisions are lawful.
- The Council reviews its obligations and objectives and approves budgets for the following year at its January meeting. The January meeting of the Council approves the level of precept for the following financial year.
- The Council meets monthly and monitors progress against its aims and objectives by receiving relevant reports from the Clerk.
- 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 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.

#### Payments

- All payments are reported to the Council for approval. Two members of the Council must authorise every cheque.
- There are a number of regular payments (monthly and annually) which are within the following statutory powers:
  - Payroll
  - Administration Expenses
  - Audit, Subscriptions
  - Newsletters
  - Traffic Calming Measures
  - To facilitate, or is conducive or incidental to the discharge of the Council's functions
  - Grounds, Sports Court and Churchyard Maintenance
- All other payments will identify the statutory power used including S137 of the Local Government Act 1972.

#### Income

- Where applicable, all income is received and banked in the Council's name in a timely manner.

#### Risk Assessment / Risk Management

- The Council carries out regular risk assessments in respect of actions and reviews of its systems and controls.

#### 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
- The effectiveness of the internal audit system is reviewed at least every 3 years.

#### External Audit

- The Council's external auditors, Mazars LLP, submit an annual Certificate of Audit which is presented to the Council.

#### **Review of Effectiveness**

The review of effectiveness of the systems of internal control is informed by:

- The regular scrutiny of financial and other performance monitoring data.

- Regular reports from the Clerk.
- Reports from Councillors from training or other relevant meetings.
- The most recent report from the Internal Auditor dated 11 May 2015
- The most recent self-evaluation of the internal controls within the Financial Regulations undertaken 28 January 2015.

The Council is therefore satisfied that the internal control systems in operation during the year were adequate and effective.

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Signed by Chair	Date

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Signed by Clerk	Date