

## West Dereham Parish Council

### STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31<sup>St</sup> MARCH 2019

#### **1. SCOPE OF RESPONSIBILITY**

West Dereham 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 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 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 2018 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

#### **3. 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 all Council decisions are lawful.

The Council reviews its obligations and objectives during the year and approves budgets for the following year at the December meeting of the Council when it also approves the level of precept for the following financial year.

The Council appoints a Councillor with special responsibility for finance and this Councillor checks the accounts folder before each meeting to conduct inspection of all accounts and monitor progress against objectives, financial systems and procedures, budgetary control.

All financial transactions for the whole of the financial year are displayed on an overhead projector at every Parish Council meeting.

The full Council meets every month (except January) and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish 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 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.

### **Payments:**

All payments are reported to the Council for approval. Two Members of the Council must authorise every cheque.

### **Risk Assessments / Risk Management:**

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

### **Internal Audit:**

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

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

The effectiveness of the internal audit will be reviewed annually.

### **External Audit:**

The Council's External Auditors submit an annual Certificate of Audit, which is presented to the Council.

## **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;
- all Councillors conducting monthly inspections of all accounts
- 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 Council's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor.
- the number of significant issues that are raised during the year.
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## **5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No Significant internal control issues were identified during the 2017-2018 financial year and during the year the Council has striven for the continuous improvement of the system it has adopted for internal control and has addressed all the issues and weaknesses raised and reported during the review processes

Parish Clerk (RFO) - Peter King