



Michaelstow Parish Council

Statement of Internal Control for the year ending 31st March 2019

This Statement was adopted by the Parish Council at the meeting on 7th March 2019

1. SCOPE OF RESPONSIBILITY

Michaelstow Parish Council is responsible for ensuring that its business is conducted in accordance with law and proper standards, and that public money is safeguarded and properly accounted for, 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 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.

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 and approves budgets for the following year at its November meeting. The November meeting of the Council approves the level of precept for the following financial year.

The Chairman monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters.

The full Council meets 11 times a year and monitors progress against its aims and objectives at each meeting by receiving relevant reports. The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk to the Council/Responsible Financial Officer (RFO)

The Council 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

At each meeting the Parish Council agree the total amount to be transferred from the current account to meet payments presented at the meeting. There are 2 signatures required for each cheque. Bank statements are monitored regularly by the Parish Council and at each meeting the Clerk/RFO presents the bank balances.

Risk Assessment/Risk Management

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

Internal Audit:

The Council has appointed an Independent Internal Auditor who provides the Council with a report annually. The focus of this report includes:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management
- Reviews

External Audit

The Council's External Auditors, the Audit Commission, receive an exemption certificate giving annual income and expenditure figures from Michaelstow Parish Council

4. REVIEW OF EFFECTIVENESS

The Council has the 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/RFO 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 raised for Michaelstow Parish Council

5. SIGNIFICANT INTERNAL CONTROL ISSUES in 2018

Additional hours worked to be processed via payroll in future. During the 18-19 financial year – no additional hours were worked or logged.

Michaelstow Parish Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

7/03/19

Digital Signatures of the Council's Chairman & Responsible Financial Officer/Clerk

Michaelstow Chair, Jem Marshall



Michaelstow parish clerk, Simon Mitchell

