

WILLINGTON PARISH COUNCIL  
STATEMENT ON INTERNAL CONTROL  
FOR THE YEAR ENDING 31ST MARCH 2019

1. SCOPE OF RESPONSIBILITY

Willington Parish Council is responsible for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

Councillors, as servants of the public, take seriously and operate to the seven standards of public life as set down by Lord Nolan; these are selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

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 31st March 2019.

3. THE INTERNAL CONTROL ENVIRONMENT

a. 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 financial year no later than its January meeting.

The Council monitors progress against objectives, financial systems and procedures, performs budgetary control and carries out regular reviews of financial matters and minutes these. Councillors take turns to scrutinise bank statements, cash book, and bank reconciliation.

The Council will usually meet six times each year and monitors progress against its aims and objectives at each meeting by receiving reports from Councillors and the Clerk to the Council. Council receives a regular report on outstanding matters both financial and non financial.

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

b. The 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 law 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. The Clerk is appropriately qualified.

c. Payments:

All payments are reported to the Council for approval. Two Councillors must sign every cheque. Photocopies of the signed cheques are kept with the appropriate purchase invoices. No cash payments are made. All Direct Debit payments are reported to Council meetings in accordance with Financial Standing Orders

d. Risk Assessments/Risk Management:

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

e. Training:

Councillors and the Clerk are encouraged to undertake appropriate training to enable them to carry out their duties efficiently. A sum of money is put aside each year in the budget to fund the training.

f. Internal Audit:

The Council has appointed an Independent Internal Auditor who on an annual basis will examine the Council on the adequacy of its:

- o Records
- o Procedures
- o Systems
- o Internal Control
- o Regulations
- o Risk Management

g. External Audit:

The Council's External Auditors, PKF Littlejohn LLP, will submit an annual Certificate of Audit, which will be presented to the Council.

#### 4. REVIEW OF EFFECTIVENESS

The Council conducts 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/Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks
- The Independent Internal Auditor who will review the Council's system of internal control;
- The Council's external auditors, who will make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor.

#### 5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2017 - 2018 financial year. Whilst no significant internal control issues were identified during the year, the Council strives for the continuous improvement of the system it has adopted for internal control.