



OKEHAMPTON HAMLETS PARISH COUNCIL - STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2019

1. SCOPE OF RESPONSIBILITY

Okehampton Hamlets 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, 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:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) 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 and up to the date of approval of the annual report and accounts and accords with proper practice as set out in the Practitioners' Guide Governance and Accountability in Local Councils (2016 edition).

3. THE COUNCIL'S INTERNAL CONTROLS

a) The Council

The Council has elected a Chairman who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and approves a budget for each financial year which enables the Precept calculation to be completed.

The Council monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The full Council meets on a monthly basis (first Tuesday save for August when a meeting will not be held unless agreed by full Council) and it receives the Minutes of the previous meeting(s). The Council also monitors progress by receiving relevant reports from County and District Councillors.

No expenditure may be incurred unless by way of authorised delegated authority of the Clerk or by agreement of full Council.

Virement, from budget line to budget line, can be approved by full Council if deemed necessary and appropriate.

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

b) Clerk to the Council / Responsible Finance Officer

Draft of approval 4th November 2008. Date of commencement of Employment 10th November 2008.

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 the management and administration of 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.

c) Payments

Authorisation: All expenditure must be authorised by the Council (or by a Committee having delegated authority), or by the Clerk by way of delegated authority.

Recording/reporting: All payments and receipts are entered into the Council's accounting system. All receipts are reported to the Council. A copy of all payments is kept with the invoices on a month by month basis. The bank is reconciled monthly.

Method: All payments are made by cheque or on line bank payment. The Council currently has no Standing Orders or Direct Debits set up on its accounts for regular payment. The signatories check each cheque for payment against the original relevant invoice, signing the cheque and cheque book stub and payment authorisation schedule. On line payments are checked against the original relevant invoice, payments are also included on the payment authorisation schedule for signing. T

Mandate: Two Members of the Council with authorised authority must authorise every cheque or on line payment or order for payment. The Clerk enters payments on line for authorisation by two members of the Council. The Clerk does not authorise payments.

Reconciliation: the Council checks the bank reconciliation against the Councils bank account statements quarterly.

d) Contracts

Procedures as to contracts are laid down in the Councils Standing Orders and Financial Regulations. The Council oversees all contract procedures.

e) Internal Audit

The Council has appointed Alison Marshall as its independent Internal Auditor until further notice who will report to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. The effectiveness of the internal audit is reviewed annually.

f) External Audit

The Council has been appointed External Auditor P K F Littlejohn until further notice. Following completion of the External Audit the annual Certificate of Audit is provided, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

Okehampton Hamlets Parish Council has responsibility for conducting an annual review of the effectiveness of its system of internal controls. The review of the effectiveness of the system of internal controls is monitored and informed by:

- the Clerk to the Council/Responsible Financial Officer
- the work of Officers within the Council reporting to the Parish Clerk (the Responsible Finance Officer)
- the work of the Independent Internal Auditor
- the External Auditors through the Annual Return and their annual letter
- · the number of significant issues that are raised during the year.

Date of approval of this Statement of Internal Control: 5th June 2018, adopted minute reference 227/12.1

ChairmanB W Wood