

NEWTON ABBOT TOWN COUNCIL



Statement of Internal Control

Date of adoption	2010
Reviewed	Reviewed 20 th November 2013, 19 th November 2014, 28 th September 2016, 31 st May 2017, 6 th June 2018, 5 th June 2019, 24 th June 2020, 21 st July 2021, 8 th June 2022, 7 th June 2023.
Next Review Date	June 2024
Reviewed By	Full Council

**NEWTON ABBOT TOWN COUNCIL
STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDING 31st MARCH 2023**

1. SCOPE OF RESPONSIBILITY

Newton Abbot Town 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 from the year ended 31st March 2010 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 Mayor, who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Finance & Audit Committee reviews its obligations and objectives and approves budgets for the following financial year at its January meeting. The January meeting of the Council approves the level of precept for the following financial year.

The Council has nominated the Strategic Planning Forum to monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters.

The F & A Committee meets 4 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from its committees, the Town Clerk, and the Strategic Planning Forum during the autumn cycle of meetings.

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

Clerk to the Council and Responsible Financial Officer:

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Council's Deputy Clerk acts as the Council's Responsible Financial Officer, (RFO). The Responsible Financial Officer is responsible for administering the Council's finances by ensuring that effective procedures are put in place to accurately and promptly record all financial transactions and maintain up to date accounting records throughout the year, together with all the necessary supporting information. The Deputy Clerk / RFO is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks; in addition to this, ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the F & A Cttee for approval and minuted. Three Members of the Council must authorise every payment (through signature of invoices and cheques). Where possible, payments are made electronically by the Deputy Town Clerk (RFO) and cross-checked, then authorised by another verified online banking user, (normally the Clerk).

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 reports to the Council on the adequacy of its:

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

The effectiveness of the internal audit is reviewed annually.

External Audit:

The Council's External Auditors, PKF Littlejohn, submit an annual Certificate of Completion 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
- the F & A Committee
- all Committees/sub-committees
- the Clerk to the Council and 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;
- PKF Littlejohn, the Council's external auditors, who make the final check using **AGAR (Part 3)**, a form completed and signed by the **Clerk**, the Mayor and the Internal Auditor. PKF Littlejohn issue an annual audit certificate **of completion**;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the **2022 – 2023** 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 and has addressed all the minor issues and weaknesses raised and reported during the review process.

Signed:

Mayor: _____ Date _____

RFO: _____ Date _____

Reviewed at Full Council 7th June 2023

O: Drive\Office\Council\Committees\Council\Policies\Adopted policies