

STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDING 31ST MARCH 2025

1. SCOPE OF RESPONSIBILITY

Dulverton Town Council is a local authority funded 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 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 effectively, efficiently and economically.

The system of internal control has been in place at the Council for the year ended 31st March 2018 and up to the date of approval of the annual report and accounts and accords with the 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/Mayor 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 to be calculated 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 (second Monday of the month) and receives the minutes of the previous meeting (s). The Council also monitors progress by receiving relevant reports from County and District Councillors and occasionally from the police.

No expenditure may be incurred unless by way of authorised delegated authority of the Clerk or by agreement of Committee (as per Financial Regulations) or 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**

Date of commencement of Employment 1st February 2002

The Council have appointed a Clerk to the Council who acts as an advisor and administrator. The Clerk is the Council's Responsible Finance Officer and is responsible for the management and administration of 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 provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

c) **Finance Officer**

Date of commencement of Employment 1st September 2023

The Council have appointed a Finance Officer who is responsible for the delivery of a range of financial operations to the Council, including providing financial information and budget details to Council Members. All financial systems will be reviewed and, where necessary, recommendations for changes to the Clerk to the Council and Finance Committee will be made.

d) **Payments**

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

Recording/reporting: All payments and receipts are entered into the Council's accounting system. All payments and receipts are reported to the Council. All invoices are retained and the bank statements reconciled on a monthly basis.

Method: The majority of payments are made by BACS. All payments will be made by the assigned finance officer. A schedule providing details of each payment is to be signed by two of the signatories prior to payment.

Payments can be made by cheque. Two of which are required to check and sign each cheque for payment against the original invoice as well as the cheque book stub.

Payments can be made from the home of authorized officers (i.e. the Clerk, Finance Officer, and Administrative Officer). However card readers etc. are to be retained in the Town Council Office except during extra-ordinary times, e.g. Covid pandemic.

Payment can also be made by debit card if necessary, having been authorised by members. The Finance Officer is responsible for the use and safe keeping of the card.

Reconciliation: A member of the Council checks the bank reconciliation against the Council's bank statements quarterly.

e) **Contracts**

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

f) **Internal Audit**

The Council appoints an Internal Auditor on an annual basis who reports 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.

g) **External Audit**

The Council was appointed by Central Government PFK Littlejohn LLP to carry out the audit for year ending 2024. Following completion of the External Audit the annual Certificate of Audit is provided, which is presented to the Council.

REVIEW OF EFFECTIVENESS

Dulverton Town Council has the responsibility to conducting an annual review of effectiveness of its system of internal controls. The review of the effectiveness of the system of internal controls is monitored and controlled by:

- The Clerk to the Council/Responsible Finance Officer
- The Finance Officer
- The Policy & Procedure Committee
- The work of the Independent Auditor
- The External Auditors through the Annual Return
- The number of significant issues that are raised during the year.

Date of approval of this Statement of Internal Control: 14th August 2017 Minute Ref: 6209

Updated: 9th December 2021

Updated: 13th December 2022

Updated: 8th February 2023

Updated: 7th May 2024