

# ***BINEGAR PARISH COUNCIL***

## Statement of internal control for year to 31 March 2015

### **1 Introduction**

The Parish Council must ensure that it conducts its business properly and safeguards public money, using it economically, efficiently and effectively. As part of this, the Council has a system of internal control that promotes its effectiveness and includes measures to manage risk.

### **2 System of internal control**

The purpose of the system of internal control is to manage risk to a reasonable level. It cannot provide absolute assurance of effectiveness. The system sets out to:

- Identify risks to achieving policies, aims and objectives
- Evaluate the possible impact of risks
- Manage them efficiently, effectively and economically

### **3 The internal control environment**

#### **The Council**

- Appoints a Chair to run meetings and to ensure its decisions are lawful
- Reviews its duties, objectives and budgets at the level of precept required for the next year (December)
- Monitors progress towards its aims and objectives from reports to meetings
- Reviews its internal controls, systems and procedures regularly

#### **The Parish Clerk**

- Advises and administers the Council
- Manages the Council's finances (in the role of Responsible Financial Officer)
- Ensures day-to-day compliance with laws and regulations affecting the Council
- Manages risks day-to-day
- Ensures adherence to Council procedures, control systems and policies

#### **Payments**

- Are all reported to and approved by the Council
- Are by cheque that require the signatures of two Councillors

#### **Risk assessments and risk management**

- The Council regularly assesses the risks of its activities and reviews its system and controls

#### **The internal auditor**

- Reports on the adequacy of systems, procedures, internal controls and risk management
- The Council reviews the effectiveness of internal audit each year

#### **The external auditor**

- Audits the Council's *Annual Return*
- Provides a *Certificate of Audit* that is presented to the Council

#### **4 Review of effectiveness**

The Council conducts an annual review of the effectiveness of its internal control system informed by the work of the:

- Council
- Clerk, responsible for designing and maintaining the internal control environment and managing risk
- Independent internal auditor who reviews the Council's systems of internal control
- External auditor using the *Annual Return* signed by the Clerk, Chair and internal auditor

Councillor Phil Roberts conducted the Review in November 2014, reporting findings to the Council at its December 2014 meeting.

#### **5 Significant internal control issues**

The review identified no significant internal control issues during the 2014-15 financial year.

The Council has addressed all minor issues and weaknesses raised and reported during the reviews.

Date

Chair

Clerk