STATEMENT OF INTERNAL CONTROL

GREAT COXWELL PARISH COUNCIL

JULY 2018 (REVIEW DATE: JULY 2019)

Great Coxwell Parish Council (the Council) is a local authority funded largely by public money and is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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.

The Council is required to review at least annually the effectiveness of its system of financial control. This is informed by the work of the internal auditor and the Councillors, who have responsibility for the development and maintenance of the internal audit environment, and also any comments made by the external auditors in their annual report.

The Purpose of the System of Internal Control

The Council's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them effectively and economically.

The system of internal control accords with the practices set out in the Governance and Accountability in Local Councils: A Practitioners' Guide (2011 edition).

The Internal Control Environment

The Council has adopted Financial Regulations which set parameters for the Council's financial operations. The Council has appointed a Responsible Finance Officer (RFO) who implements financial systems and controls. An independent internal audit service is provided by Mr Phil Hood of Arrow Accounting.

Any issues raised by the Internal Auditor are reported in writing to the Council and agreed actions are monitored to ensure that they have been carried out and actioned within agreed timescales. Additionally, the Council seeks and receives appropriate property, legal, insurance, and health & safety advice as appropriate to manage risk.

The Council is responsible for:

- Establishing and monitoring the achievements of the authority's objectives
- The facilitation of policy and decision making
- Ensuring compliance with established policies, procedures, laws and regulations
- Identification and management of risk

- Ensuring that best value and value for money are achieved in all purchases
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of the Council

Review of Effectiveness

The Council, through the RFO, has responsibility for conducting a review of the effectiveness of the system of internal control and the internal audit process.

The review of the effectiveness of the system of internal control is monitored by:

- The RFO is responsible for administering the Council's finances, for advising on compliance with laws and regulations to which the Council is subject, and for managing risks. The RFO also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.
- The Parish Council meets bi-monthly and discusses financial issues and monitor progress against objectives, financial systems and procedures, budgetary control, and carry out regular reviews of financial matters.
- The work of the Internal Auditor. The Internal Auditor, an independent person specialising in local council matters, reports to the Council on the adequacy of its records, procedures, systems, internal control and risk management.
- The External Auditors in their annual report.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.