

**IDEFORD PARISH COUNCIL  
STATEMENT OF INTERNAL CONTROL  
FOR THE YEAR ENDING 31 MARCH 2017**

**SCOPE OF RESPONSIBILITY**

Ideford 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, Ideford Parish Council (the Council) is also responsible for ensuring that there is a sound system of internal control that facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

**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 for the year ended 31 March 2017 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Governance and Accountability for Smaller Authorities in England Practitioners' Guide to Proper Practices (March 2016 Edition)

**THE INTERNAL CONTROL ENVIRONMENT**

**The Council**

The Council reviewed its obligations and objectives and approved a budget for the financial year 2016-2017 at its meeting held on 16 December 2015 (minute number 124/15). This meeting of the Council also approved the level of Precept for the financial year 2016-2017 (minute number 124.1/15). A unanimous resolution accepted a 7.33% increase on a Band D property equivalent to 0.51pence per day or £1.86 per year. This increase resulted in an additional £332.88 to fund Council commitments.

The full Council meets on a monthly basis (except during January and August) and monitors progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. Progress is monitored by discussion and by receiving relevant reports from the Parish Clerk and Responsible Financial Officer.

No expenditure may be incurred which cannot be met from the amount provided in the appropriate revenue budget unless a virement has been approved by the Council. The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to the limit set in the Ideford Parish Council Financial Regulations or within the Scheme of Delegation. The Clerk shall report the action to the Council as soon as practicable thereafter.

The Council carries out regular reviews of its internal controls, systems and procedures and a Councillor has now been nominated to carry out periodic checks of the Clerk and RFOs work.

**Clerk to the Council / Responsible Financial Officer**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is also the Council's Responsible Financial Officer and is responsible for administering 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.

## Payments

All expenditure must be authorised by the Council or by a committee having delegated authority, or by the Clerk after consultation with the appropriate Chair. The list of orders is available for inspection by any member of the Council on demand.

All payments and receipts are entered onto the Council's Accounting Spreadsheet.

A copy of all receipt and payment information is made available at each Council meeting and is presented for inspection at the meeting together with the bank reconciliation. A year to date budget sheet is presented quarterly and is also circulated to each Councillor. Two authorised members of the Council must sign every cheque or order for payment. The signatories check each cheque against the relevant invoice and also sign each cheque stub and the invoice. Two signatories also sign any invoice presented for BACS or Direct Debit Payment. Any Direct Debit or Standing Order payment is reviewed annually or on a change of circumstance.

## Contracts

Procedures as to the contracts are laid down in the Council's Standing Orders and in the Council's Financial Regulations.

## Risk Assessments / Risk Management

The Council carries out regular risk assessments to record risks and related health and safety, employment and insurance issues. The Clerk will report on risk assessment to the Council for its consideration and action annually. The Council has an Internal Risk Register and an Asset Risk Register.

The Council has appointed Henry Merritt as an Independent internal auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

## External Audit

The Council's appointed external auditor is Grant Thornton. Following completion of the External Audit an annual Certificate of Audit is provided which is presented to the Council.

## REVIEW OF EFFECTIVENESS

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

- The Parish Clerk/Responsible Financial Officer
- The work of the Independent Internal Auditor
- The External Auditors in their annual letter
- Those elected Members with designated responsibility within this area

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

The Council through the Responsible Finance Officer has the responsibility of reviewing the effectiveness of the Internal Audit function, and has taken account of the guidance provided to it. We are satisfied on all accounts that our arrangements are effective and meet expected standards.

Ideford Parish Council approved the FY 16/17 Statement of Internal Control on 1 March 2017  
(Minute 014.6/17 Refers)

*Original Copy Signed*

*Original Copy Signed*

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**Councillor Angie Carter-Woodwark**  
**Chairman – Ideford Parish Council**

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**Ashley Lamb**  
**Parish Clerk / Responsible Financial Officer**