

WEST DOWN PARISH COUNCIL



Statement of Internal Control

Date of Annual Review	Notes and comments	Change Description	Minutes Number
1 June 2022		Annual Review	4688
7 June 2023		Annual Review	4973
5 June 2024		Annual Review	5274
4 June 2025		Annual Review	146/25
3 June 2026	Update to Electronic Ledger	Annual Review	145/26

WEST DOWN PARISH COUNCIL

Introduction

West Down Parish Council (the Council) is 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.

WEST DOWN PARISH COUNCIL



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 Parish Council Auditor and the Internal Auditor, 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 (2021 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 who implements financial systems and controls.

The Council uses an electronic accounts ledger, backed up by a Microsoft Excel database to process transactions and monitor performance against budget. Payroll services are provided by North Devon Council on instruction by the Council. Banking services are provided by Lloyds.

The Council has appointed an independent Internal Auditor as required by current legislation. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council with a written report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditor shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.

WEST DOWN PARISH COUNCIL



The Council's internal monitoring is undertaken by the Parish Council Auditor.

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:

- a. Establishing and monitoring the achievements of the authority's objectives
- b. The facilitation of policy and decision making
- c. Ensuring compliance with established policies, procedures, laws and regulations
- d. Identification and management of risk
- e. Ensuring that best value and value for money are achieved in all purchases
- f. Ensuring performance is regularly monitored against financial and operational budgets
- g. Control and reports on the financial management of the Council

Review of Effectiveness

The Council through the Responsible Finance Officer 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 Parish Clerk is the Council's Responsible Finance Officer who acts as the Council's legal advisor and administrator. The Clerk is responsible for administering the Council's finances, for advising on compliance with laws and regulations which 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.

WEST DOWN PARISH COUNCIL



The Parish Council meet once a month. It monitors progress by receiving relevant reports from the Responsible Finance Officer (Parish Clerk). Each month the Clerk produces a bank statement balance for each account and provides a list of invoices received for payment.

The Council has a Diary to ensure regular payments are not missed and that internal control and due diligence reports are received by the Council in timely fashion.

The Parish Council Auditor (PCA) is a Parish Councillor who is elected to represent the Parish Council and ensure the fidelity of the Responsible Finance Officer. The PCA makes random checks and ensures the Accounts Ledger is accurate and correct with the bank reconciliation.

The work of the Internal Auditor. The Internal Auditor reports to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

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