

BINEGAR PARISH COUNCIL

Statement of internal control for year to 31 March 2018

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 annually

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* when income or expenditure is greater than £25,000
- 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
- Where appropriate external auditor using the *Annual Return* signed by the Clerk, Chair and internal auditor

Councillor Cath Law conducted the formal review of effectiveness on Monday 5 March, reporting findings to the Council at its March 2018 meeting.

5 Significant internal control issues

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

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

Date 3/4/18

Chair 

Clerk 