



Callington Town Council

Statement of Internal Control for Year Ending March 2019

1. Scope of Responsibility

Callington Town Council is a Local Authority funded largely by public money. It is responsible for ensuring that its 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, Callington Town Council (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, the Committees, and the Responsible Finance Office 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.

2. The Purpose of the System of Internal Control

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. In addition, 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 2019 and up to the date of approval of the annual accounts and accords with proper practise as set out in the Practitioners' Guide, Governance and Accountability in Local Council (2011 edition).

3. The Internal Control Environment

The Council

The Council has adopted Financial Regulations (December 2015, and reviewed in February 2019) which set parameters for the Council's financial operations.

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
- Ensuring all committees receive regular and up to date reports on financial activities under their direction
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of the Council

The Council has appointed various Committees, and Members of these Committees monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committees are circulated to all members of the Council and ratified by Full Council.

The Full Council meets eleven (urgent items only in August) times each year. It monitors progress by receiving relevant reports from the committees and the Town Clerk.

The Council reviews its obligations and objectives and approves a budget for the following year by its December (or January if necessary) meeting. The meeting of the Council November 2017 approved the level of precept for the following financial year (2018/2019). https://www.callington-tc.gov.uk/wp-content/uploads/2017/12/FC-Minutes-2017_11_28.pdf

Payroll services are completed on Sage Instant Payroll by the Responsible Finance Officer. Banking services are provided by Natwest, with investments also held by Lloyds. RBS Software Solutions is the accountancy package used to complete the management accounts and financial returns for the Council.

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 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 (in accordance with the Financial Regulations) by the Clerk after consultation with the appropriate Chair.

All receipts and payments are reported to the Council. Two members of the Council must sign every cheque. The signatories check each cheque against the relevant invoice (which has already been approved by the Clerk), sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are Members of the Council. No member of staff of the Council can make payments or sign cheques. The Clerk has authority to obtain information from the bank.

Risk Assessments/Risk Management

The Council carries out a risk assessments in respect of actions and regularly reviews its systems and controls. The insurance cover is regularly reviewed to ensure the correct level of cover has been provided. The Council has used the services of Hygiene2Health to complete a thorough risk assessment this year and action taken accordingly.

Internal Auditor

An independent audit service is provided by Dawe, Hawken and Dodd. 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 accordingly.

The Council also undertakes internal monitoring on a regular basis by the Committees, which is recorded in the minutes and ratified by Full Council.

External Auditor

The Council's external auditors, PKF Littlejohn LLP, submit an annual report which is presented to the Council.

Professional Advice

Additionally, the Council seeks and receives appropriate property, legal, insurance, GDPR, personnel/human resources and health & safety advice as appropriate to manage risk.

4. Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- The work of officers within the Council reporting to the Responsible Finance Office, and them also giving reports to the respective committees each month.
- The Clerk/Responsible Finance Officer to the Council who has the responsibility for the development and maintenance of the internal control environment and managing risk.
- The Independent Internal Auditor who reviews the Council's system of internal control. The Auditor will make a written report to the Council.
- The Council's External Auditors in their Annual Report.
- The number of significant issues that are raised during the year.

5. Significant Internal Control Issues

None

6. External Audit Opinion

Any matters raised on the Annual Return for the Financial Year to 31st March 2019 will be reported to Council and any necessary action will be minutes.

Mark Smith

Helen Dowdall

.....
Signature of the Chairman

.....
Signature of the Clerk/ RFO