



Somerton Town Council  
Policy Documents  
Statement of Internal Controls  
Audit and Review Policy

**Adopted:** October 2016

**Readopted and Reviewed:**  
June 2017

**Review Date:** May 2017

# STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2017

## 1. Scope of Responsibility

Somerton Town Council (the Council) 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, 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.

## 2. 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.

## 3. The Internal Control Environment

### The Council

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and

objectives and budgets at the level of precept required for the following year at its January Meeting. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports from the Town Clerk. The Council regularly reviews its internal controls, systems and procedures.

### **The Clerk/Responsible Financial Officer**

The Council has appointed a Clerk of 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

### **Payments**

All payments are approved by Council. Two Members of Council must sign every cheque/online payment .

### **Risk Assessments/Risk Management**

The Council carries out regular risk assessments in respect of its activities and regularly reviews its system and controls.

### **Internal Audit**

The Council has appointed an independent Internal Auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The effectiveness of internal audit is reviewed annually.

### **External Audit**

The Council's External Auditors submits an annual Certificate of Audit which is presented to the Council.

## **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

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- The Council's External Auditors who make the final check using the Annual Return, a form completed and signed by the RFO, the Chairman and Internal Auditor

## 5. Significant Internal Control Issues

No significant internal control issues were identified during the 2014/15 financial year with the exception of Debtors control, new systems have been successfully implemented by the Clerk and are subject to an early review by the internal auditor.

The Council strives for the continuous improvement of the system it had designed for internal control and has addressed all of the minor issues and weaknesses raised and reported during the review process.

**Chairman**

**Date**

**Clerk / RFO of the Council**

**Date**