

ALCESTER TOWN COUNCIL

Statement of Internal Control

1. SCOPE OF RESPONSIBILITY

Alcester Town Council (like all parish and town councils) forms the first tier of local government 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, Alcester Town Council (the Council) is 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 appoints a Mayor to act as Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council appoints a Finance and General Purposes Committee (F & GP) who meet every month. Responsibility is delegated to F & GP to monitor progress against objectives, financial systems and procedures, budgetary control and regular reviews of financial matters.

F & GP receives budget requests from Committees and Lead Councillors which are considered as part of the Precept Planning process to set the level of precept for the coming year.

The minutes of the meetings of F & GP are reported to the Council.

F & GP reviews the Council's obligations and objectives and agrees a budget for the following year at its December meeting. At the recommendation of F & GP, in January each year, Full Council approves the budget and the level of precept for the following financial year.

ALCESTER TOWN COUNCIL

Statement of Internal Control

Full Council meets twelve times each year. It monitors progress by receiving relevant reports from F & GP and the Town Clerk. The Town Clerk reports the management accounts to Full Council quarterly.

F & GP carries out regular reviews of the Council's internal controls, systems and procedures.

The Council uses RBS Rialtas Omega accounting software to ensure that accurate accounts are produced.

Clerk to the Council / Responsible Financial Officer:

The Council appoints the Town Clerk to the Council who acts as the Council's advisor and administrator.

The Town Clerk is appointed as the Council's Responsible Financial Officer and is responsible for administering the Council's finances.

The Town 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 Town Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments:

All BACS and cheque payments are reported to the Council for approval.

Two Members of the Council who are bank signatories and the Clerk must authorise every cheque and BACS transfer. To improve efficiency and following the practice set up during the Covid lockdowns, authorisation of BACS payments is by email.

The Town Clerk has delegated authority to use the Council debit card for items under £500 when using BACS transfer is not possible or practical.

Bank Reconciliation:

A bank reconciliation statement is prepared each month and reported to F & GP. The bank reconciliation statement is presented to Full Council on a quarterly basis.

A Councillor (who is not a cheque signatory) is appointed each year to check the quarterly bank reconciliation statement with the original bank statements.

Risk Assessments / Risk Management:

A Risk Assessment has been drawn up and approved at Full Council. It is reviewed annually by F & GP and reported to Full Council.

Separate Risk Assessments are drawn up for specific activities and events as required.

ALCESTER TOWN COUNCIL

Statement of Internal Control

Copies of all Risk Assessments are retained by the Town Clerk.

Inspections of property and equipment are regularly made to support this Risk Assessment. Inspections by staff or councillors are recorded.

A schedule of assets is maintained by the Town Clerk.

The Town Council's insurance cover is reviewed annually. The Town Clerk seeks advice from the Town Council's insurers when required.

Internal Audit:

The Council has appointed an independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The Internal Auditor has full access to all Council books and records and is given the opportunity to speak to staff and councillors if requested.

The internal audit is carried out in accordance with the guidance for internal audit set out by the Joint Panel on Accountability and Governance in the Practitioners Guide.

The effectiveness of the internal audit is reviewed annually by F & GP and its findings are reported to Full Council.

External Audit:

Since April 2023, Moore UK carry out the External Audit by means of the Annual Governance and Accountability Return (AGAR).

The report from the External Auditor is presented to the Full Council.

Any issues raised are reported to Full Council and appropriate action agreed.

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 Full Council;

ALCESTER TOWN COUNCIL

Statement of Internal Control

- the Finance and General Purposes Committee;
- the Town Clerk / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the independent Internal Auditor who reviews the Council's system of internal control;
- the External Auditor
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

Significant internal control issues that arise during the year and concern the management of risks are brought to the attention of F & GP in the first instance and then reported to Full Council.

The Council strives for the continuous improvement of the system it has adopted for internal control and will address all the issues and weaknesses raised and reported during the review process.

Vanessa Lowe
Town Clerk and Responsible Financial Officer
Alcester Town Council
23rd April 2024

Approved by Finance and General Purposes Committee – 30th April 2024