

Canvey Island Town Council

Statement of Internal Control

1. SCOPE OF RESPONSIBILITY

Canvey Island Town Council is responsible for ensuring 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 efficiently and effectively exercise 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 ensure that the council's activities are carried out properly and as intended. Internal controls are set out by the Town Clerk and the Responsible Financial Officer, but the Council must ensure that it has an understanding of those controls and that they are operated effectively.

3. PERSONNEL RESPONSIBLE FOR INTERNAL CONTROL.

The Council:

The Council appoints a Mayor and Chair of each committee for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chair/Mayor signs each page of the minutes at the meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The Town Clerk, Responsible Financial Officer and Deputy Clerk are authorised signatories, however, will not authorise the same payments unless in an emergency and authorised by the Mayor.

The Policy and Finance Committee meets regularly to review the financial position, receive financial reports, inspect the bank statements and compare them to the reconciliations. The Committee also reviews governance, financial regulations, standing orders, policies, and procedures, risk management annually or when required, co-ordinates budget requests from other Committees and makes recommendations to Full Council.

The Personnel Committee meets when required to consider staffing issues and salaries.

Two councillors authorise all payments/cheques at each meeting and the full list of payments is agreed before the authorisation of signatures is given. Internet banking payments are dual controlled and processed by the Town Clerk/Responsible Financial Officer with the final authorisation being made by a councillor before submission.

All banking arrangements and processing of income is made in accordance with the Financial Regulations approved by the Council.

The Council approves a budget for the following year at the December/Jan meeting which also approves the level of precept for the following financial year.

All Committees have terms of reference which are reviewed annually along with membership.

Town Clerk to the Council / Responsible Financial Officer:

The Council has appointed a Town Clerk to the Council who acts as the Council's advisor and administrator. The Council has also appointed a Responsible Financial Officer and is responsible for administering the Council's finances. The Town Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Town Clerk also ensures that the Council's procedures, control systems and policies are maintained.

The Responsible Financial Officer submits all the requested information to the Internal and External Auditor by the required date and arranges for the public notices to be displayed.

The Responsible Financial Officer retains all relevant documents relating to finances (Annual Return, VAT Returns, PAYE/NIC information, public notices, Asset register, Risk Assessments, accounts and supporting information)

Internal Auditor

The Council appoints an Independent Internal Auditor who reports to the Council on the adequacy of it's:

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

The effectiveness of the internal audit is reviewed, and the council agrees to the appointment of the Internal Auditor.

The scope of the work of the Internal Auditor is reviewed and the review and the appointment is minuted.

The Internal Auditor inspects the accounts at the year-end and completes the Annual Return confirming the completion of the audit.

The findings of the Internal Auditor are reported and considered at the Policy and Finance Committee meeting before being passed to the Council for approval and authorisation of any actions required.

4. Risk Assessment and Risk Management

The Council's insurance cover is reviewed annually with reference to the asset register and the known risks inherent in the property and services provided. The Council review its risk management assessment annually which is completed by the Responsible Financial Officer.

5. External Audit:

The Council's External Auditors, submit an External Auditor's Report, which is considered by the Council with any actions required.

6. 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 is informed by the work of:

- The Town Clerk/Responsible Financial Officer is responsible for the development and maintenance of the internal control and managing risks;
- The independent Internal Auditor reviews the Council's system of internal control;
- The Council's external auditors, make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Mayor and the Internal Auditor.