

SWANLEY TOWN COUNCIL STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31st MARCH 2019

1. SCOPE OF RESPONSIBILITY

Swanley 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, including the preparation of the accounting statements as required by Section 3 of the Annual Return – Annual Governance Statement and its 10 “assertions”.

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.

The Council has in place a set of Standing Orders and Financial Regulations, which set out the general rules applicable at council and committee meetings and in carrying out the council’s business. These two documents, are reviewed on a regular basis and influence the system of internal controls in place.

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 governance statement and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

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

The Council reviews its obligations and objectives and approved budgets for the following year at its January meeting. The January meeting of the Council approved the level of precept for the following financial year.

The full Council meets ten times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the CEO/ Town Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk to the Council and Responsible Financial Officer:

The Council has appointed a Clerk to the Council who acts as the Council’s advisor and administrator. The Council’s Responsible Financial Officer (RFO) is responsible for administering the Council’s finances and is a separate role. The CEO/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 Clerk also ensures that the Council’s procedures, control systems and policies are adhered to.

Payments:

All payments are reported to the Council for approval. Two Members of the Council must authorise every cheque and standing order & direct debit arrangements are reviewed annually. Except where financial regulations allow the CEO/Town Clerk to sign cheques for amounts of £1,000 or less. And where provision is allowed for electronic payment to be made solely by the RFO up to £1,000, and jointly by the CEO and RFO for amounts greater than £1,000 but less than £3,000.

Income:

All income is received and banked in the Council's name in a timely manner and reported to the Council at the next meeting.

Risk Assessments / Risk Management/Risk Register:

The Council carries out regular risk assessments, identifying risks, assessing risks, addressing risks and reviewing and reporting these risks in a risk register.

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 effectiveness of the internal audit system and audit plan is reviewed annually.

External Audit:

The Council's External Auditors, PKF Littlejohn LLP, submit an annual report and 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 full Council;
- the Clerk to the Council and Responsible Financial Officer have joint responsibility for the development and maintenance of the internal control environment and managing risks;
- the appointed Councillor responsible for conducting internal audit checks;
- the Independent Internal Auditor who reviews the Council's system of internal control;
- PKF Littlejohn LLP, the Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Independent Internal Auditor. The External Auditors issue an annual audit report and certificate;
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2018-19 financial year.

Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

Chairman
Swanley Town Council

Clerk
Swanley Town Council

Date