

LISKEARD TOWN COUNCIL

STATEMENT ON INTERNAL CONTROL

The Council is responsible for ensuring that the financial management of the Authority is adequate and effective and that the body has a sound system of internal financial control.

The Council is required to review at least annually the effectiveness of its system of financial control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the management of the Council who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditor in their annual letter and other reports.

The Council is responsible for:

Establishing and monitoring the achievement of the Authority and its objective
The facilitation of policy and decision-making

Ensuring compliance with established policies, procedures, laws and regulations

The Council has delegated the overall management of risk to its Finance and Development Committee (F&DC).

The Council and all committees, the clerk and staff all contribute to the identification and management of risk. Any identified weaknesses in this area are addressed and actioned by the F&DC.

Key staff is trained in health and safety, fire and general risk management and appropriate risk management software is used to regularise these processes.

Through its standing orders and financial regulations the Council has put in place controls to ensure that best value and value for money are achieved in all larger purchases

All committees of the Council receive regular and up to date reports on financial activities under their direction

Performance is regularly monitored against financial and operational budgets

The F&DC committee has delegated responsibility for monitoring effectiveness and is supported in this by regular internal audit reports on systems, reports from the Clerk/ RFO and matters raised by the external auditor and from other retained professional advisers. It receives and considers such reports promptly and agrees appropriate action to address identified weaknesses.

Subject to any restrictions imposed by the Authority the Responsible Financial Officer is required to determine

- accounting records including the form of accounts and supporting accounting records
- accounting control systems
- ensuring that determined systems are adhered to, comply with proper practice and are up to date

The Responsible Financial Officer is required by statute to

- ensure that the records are kept in such a way as to enable the financial statements and related notes to be prepared
- ensure that entries on a day by day basis record all money received and expended
- record the assets and liabilities of the Authority
- record separately income and expenditure relating to any claim for contribution, grant or subsidy from the government, a body funded by government or a community institution

The system determined by the Responsible Financial Officer is as required by statute

- to record transactions as soon as practicable
- to put in place measures for the prevention and detection of inaccuracy and fraud
- to put in place measures for the reconstitution of data if records are lost
- to identify the duties of individual officers and the segregation of duties achieved for significant transactions
- to only allow the write off of uncollectible amounts including bad debts with the Responsible Financial Officers evidenced approval
- to ensure appropriate measures to manage risk

A system of internal financial control cannot be expected to completely eliminate the possibility of inaccuracy or fraud. In this Authority due to the small number of staff and in common with other small organisations it is not possible to achieve full segregation of duties.

To compensate for this weakness all payments are approved and cheques and other payment methods are signed by two Councillors.

The Council has a computerised accounting package that records all of the accounting transactions and is used to register unpaid supplier invoices and unpaid customer accounts. This package is used to provide financial information and to inform budgetary control.

As required by statute the Authority has in place a system of internal audit carried out by an independent person specialising in Local Council matters. Issues raised by the internal auditor are reported in writing to the Authority and agreed actions

are monitored to ensure that they have been carried out and actioned within agreed timescales.

Additionally, the Authority seeks and receives appropriate property, legal, insurance, health and safety advice to manage risk.