



**WELLINGTON TOWN COUNCIL  
STATEMENT OF INTERNAL CONTROL  
FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2020**

**1. Scope of Responsibility**

Wellington 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 prepares a budget at its January meeting. This enables the determination of the level of precept required for the following financial year. 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, its policies, 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, who is qualified to CiLCA level, 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, and the Clerk countersigns. Following the passing of a resolution at the Council's meeting on 5<sup>th</sup> August 2019 and online bank account was set up and most payments are now paid by electronic bank payment. As with cheques, the release of online payments requires two Councillors to approve payments set up by the Clerk

## **Risk Management**

The Council actively reviews its systems and controls and associated risk. On 12<sup>th</sup> May the Council adopted (by electronic vote due to Covid-19 regulations and the inability to meet in person) a new comprehensive risk management scheme. This details risks to all areas of Council operations with the mitigations and supporting documents in place to reduce risks to their practicable minimum.

## **Risk Assessment**

The Council prepares a written risk assessment in respect of its activities, and where such activities are carried out with partner agencies, it ensures that each organisation is working to a shared risk assessment.

## **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, and recommendations considered and enacted where deemed appropriate.

## **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 2018/19 financial year. There were however a number of recommendations from the External Auditor, which have been addressed in the preparation in this year's financial statements.

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

Chairman

Clerk of the Council

Date: 18 June 2020