



## Morwenstow Parish Council

### Statement of Internal Control

#### **Introduction**

Morwenstow Parish Council (MPC) is a smaller local authority funded largely by public money and is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

In discharging this overall responsibility, MPC is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of MPC's functions and which includes arrangements for the management of risk.

MPC is required to review at least annually the effectiveness of its system of financial control. This is informed by the work of the internal auditor and those Councillors appointed from time to time, who have responsibility for the development and maintenance of the internal audit environment, and also any comments made by the external auditors in their annual report.

#### **The Purpose of the System of Internal Control**

MPC's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them effectively and economically.

The system of internal control accords with the practices set out in '*Governance and Accountability in Local Councils: A Practitioners Guide*' (2011 edition).

#### **The Internal Control Environment**

MPC has adopted Financial Regulations (2018) which set parameters for MPC's financial operations.

MPC has appointed a Responsible Finance Officer who implements financial systems and controls.

MPC uses Excel to process transactions and monitor performance against budget. Payroll is undertaken by the Clerk. An independent internal audit service is provided by [Susan Joyner](#) and MPC's internal monitoring is undertaken by 2 Councillors.

Any issues raised by the Internal Auditor are reported in writing to MPC and agreed actions are monitored to ensure that they have been carried out and actioned within agreed timescales.

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

MPC is responsible for:

- Establishing and monitoring the achievements of the authority's objectives
- The facilitation of policy and decision making
- Ensuring compliance with established policies, procedures, laws, and regulations
- Identification and management of risk
- Ensuring that best value and value for money are achieved in all purchases
- Ensuring performance is regularly monitored against financial and operational budgets
- Control and reports on the financial management of MPC

## Review of Effectiveness

MPC through the Responsible Finance Officer has responsibility for conducting a review of the effectiveness of the system of internal control and the internal audit process.

The review of the effectiveness of the system of internal control is monitored by:

- The Parish Clerk is MPC's Responsible Finance Officer who acts as MPC's legal advisor and administrator. The Clerk is responsible for administering MPC's finances, for advising on compliance with laws and regulations which MPC is subject to, and for managing risks. The Clerk also provides advice to help MPC ensure that its procedures, control systems, and policies are adhered to.
- The full council meets at least 10 times each year. It monitors progress by receiving relevant reports from the Responsible Finance Officer (Parish Clerk).
- The work of the Internal Auditor. The Internal Auditor, an independent person specialising in local council matters, reports to MPC on the adequacy of its records, procedures, systems, internal control, and risk management.
- The External Auditors in their annual report.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.

**Originally Adopted by Morwenstow Parish Council 21st February 2018.**

**To be reviewed annually**

PREVIOUS REVIEWS	17 <sup>th</sup> Feb 2021	15 <sup>th</sup> Feb 2022	16 <sup>th</sup> Feb 2023	17 <sup>th</sup> Jan 2024	15 <sup>th</sup> Jan 2025
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Review Date	Reviewed by	Minute Reference
21 <sup>st</sup> January 2026	All Council	21.01.2026.10.3