



BURNHAM-ON-SEA & HIGHBRIDGE TOWN COUNCIL STATEMENT OF INTERNAL CONTROL

(adopted by Finance and Resources Committee on 5th February 2024)

1. Scope of Responsibility

Burnham-on-Sea & Highbridge Town Council is a Local Authority funded largely by public money. It is responsible for ensuring that its 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, 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. The Council is required, by regulation 6.1 of the Accounts and Audit Regulations 2015, to review each financial year the effectiveness of its system of financial control.

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 adopted Financial Regulations which set parameters for the Council's financial operations.
- The Council has appointed a Chairman (Mayor) who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, and in accordance with its Standing Orders.

- The Council meets at least six times per year to monitor and review its obligations, aims and objectives, and receive reports from the Town Clerk/Responsible Finance Officer, Committees and Members of the Council.
- The Council has appointed Committees who monitor progress against objectives and budgets.
- The Finance and Resources Committee monitors financial systems and procedures, budgetary control and regularly reviews financial matters.
- The Council meet in January to approve the budget and precept for the coming year.
- The Council carries out regular reviews of its internal controls, systems and procedures.
- Payroll is processed by an external payroll provider using Iris Payroll Software and checked by the Responsible Finance Officer.
- Banking services are provided by Natwest & Nationwide.
- The Council uses a computerised accounting system Rialtas to complete the management accounts and financial returns for the Council.

Town Clerk/Responsible Financial Officer

The Council has appointed a Town Clerk who acts as the Council's advisor and manager. The Council has appointed a separate officer to act as the Responsible Financial Officer who advises on financial related issues and is responsible for the administration of the Council's finances.

The duties of the Clerk / RFO are laid down in a Job Description which is reviewed from time to time.

The Town Clerk is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Town Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

The Responsible Finance Officer acts as the Council's advisor and administrator on financial activities in accordance with the approved financial procedures. The RFO checks, processes, updates and retains all relevant documents relating to finance in accordance with best practice (Annual Return, VAT Returns, PAYE/NIC information, Fixed Asset register, accounts and supporting information).

The Clerk/RFO 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 Clerk/RFO maintain, review and update the Councils Risk assessments.

Payments

All expenditure must be authorised by the Council or by a Committee having delegated authority or (in accordance with the Financial Regulations) by other delegated authority.

All payments from the Council's banks accounts are only to be made with dual authorisation of online payments.

All payments are reported to the Council or Finance and Resources Committee. The RFO is responsible for checking the legality of each payment and that payments are within the powers of the Council prior to presentation to the Council.

Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. The insurance cover is regularly reviewed to ensure the correct level of cover has been provided.

Internal Auditor

The Council has appointed Hillside Business Services as Independent Internal Auditor who reports to the Council on the adequacy of:

- records
- procedures
- systems of internal control
- regulations
- risk management
- governance processes

The effectiveness of internal audit is reviewed annually by the Council.

External Auditor

The Council's external auditors PKF Littlejohn, appointed by SAAA Ltd submit an annual certificate of audit which is presented to the Council.

Professional Advice

Additionally, the Council seeks and receives appropriate property, legal, insurance, VAT, personnel/human resources and health & safety advice as appropriate to manage risk.

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 Finance and Resources Committee.
- The work of officers reporting to the Council and its Committees.
- The Town Clerk and Responsible Finance Officer to the Council who are responsible for the development and maintenance of the internal control environment and managing risk.
- The Independent Internal Auditor who reviews the Council's system of internal control and reports to the Council.
- The Council's External Auditor who makes a final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman, the Town Clerk and the Internal Auditor. An Audit Certificate is issued.
- 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 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 at all times.

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