



Appendix 2(ii)(b)

NEW ROMNEY TOWN COUNCIL



STATEMENT OF INTENT ON INTERNAL CONTROL **FOR THE YEAR ENDING 31ST MARCH 2020**

1. SCOPE OF RESPONSIBILITY

New Romney 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 on-going 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 system of internal control will be in place at the Council for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts and, except for any 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 approves budgets for the following year at its December meeting. The January meeting of the Council approves the level of precept for the following financial year.

The Council monitors progress against objectives, financial systems and procedures, performs budgetary control and carries out regular reviews of financial matters and minutes these.

The Council will meet twelve times in 2019/2020 and monitors progress against its aims and objectives at each meeting by receiving relevant reports from Members and the Clerk/Responsible Officer to the Council.

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

The Clerk to the Council/Responsible Financial Officer :

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is also 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 law 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 from a list of authorised signatories must authorise every cheque.

Risk Assessments/Risk Management :

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit :

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Accounting Records
- Policies, systems and procedures
- Internal control
- Regulations
- Risk management
- Reviews

In adopting this Statement of Intent the Council will, at the same time, carry out an annual review of effectiveness of internal audit. The review is designed to provide sufficient assurance for the Council that standards are being met and that the work of internal audit is effective. It includes, as a minimum, making an assessment of each of the following:

- The scope of internal audit
- Independence
- Competence
- Relationships
- Audit Planning and Reporting

The Council will carry out the review to enable a positive response to Box 6 to be included in the Annual Governance Statement.

External Audit :

The Council's External Auditors, PKF Littlejohn, submit 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:

- (i) The Full Council
- (ii) The Clerk/Responsible Financial Officer to the Council who has responsibility for the development and maintenance of the internal control environment and managing risks.
- (iii) The Independent Internal Auditor who reviews the Council's system of Internal control.
- (iv) Littlejohn, the Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Officer, the Chairman and the Internal Auditor. The Audit Commission issues an annual audit certificate.
- (v) The number of significant issues that are raised during the year.
- (vi) Ensuring an adequate system of internal control throughout the year will enable the Council to give a positive response to Box 2 of the Annual Governance Statement.

5. **SIGNIFICANT INTERNAL CONTROL ISSUES 2018/2019**

There were no significant control issues raised by the Internal Auditor for 2018/2019.**

~~The following significant control issues for 2018/2019 were raised by the Internal Auditor:**~~ *DJB*

(Delete as necessary**)

D. D. Buckett

Signature of Internal Auditor

Dated *16/5/2019*

P. D. Thomas

Signature of Chairman

Dated *10/6/2019*

C. Newcombe

Signature of Clerk/Responsible Financial Officer

Dated *15/07/19*

Approved by Full Council:
Last Reviewed: