

**MODBURY PARISH COUNCIL  
STATEMENT ON INTERNAL CONTROL  
FOR THE YEAR ENDING 31 MARCH 2018**

(Approved 14<sup>th</sup> May 2018 Minute No: 18.064.d)ii)

**1. SCOPE**

Modbury Parish 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 as well as being 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 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

- a) to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- b) to evaluate the likelihood of those risks being realised and the impact should they be realised;
- c) to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts and accords with proper practice as laid down by the Council's Financial Regulations updated in September 2014.

**3. THE COUNCIL'S INTERNAL CONTROLS**

- a) The Council has elected 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 January meeting. At this meeting of the Council also approves the level of precept for the following financial year.

The Council's Finance Committee monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The clerk does monthly bank reconciliation with entries on the Money Manager accounting system and a nominated member of the finance and human resources committee performs quarterly checks on the accounts. A list of all payments and receipts for each month will also be provided to the full Council.

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

