



Ross-on-Wye Town Council

Statement of Internal Control

Statement of Policy

The Town Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. It is responsible for ensuring that its financial management is adequate and proportionate to facilitate the effective exercise of its functions. This policy details its approach to good governance, accountability and transparency. The Town Council endeavours to encourage a commitment to inclusiveness, openness and accountability to the communities served by the Council. It also provides assurance that the public money managed by the Council has been properly spent according to the rules and regulations adopted by the Council.

1 Internal Auditor

Internal auditing is an independent and objective assurance designed to improve the Council's organisation and operations. It aims to bring a systematic, disciplined approach to evaluate and improve processes. The internal auditor must be competent to carry out the role in a way that meets the business needs, size and circumstances of the Council. Internal audit is not aimed at providing a detailed inspection of all records and transactions in order to detect error or fraud.

The Internal Auditor will be appointed (or appointment reconfirmed) at the annual meeting of the Town Council held in May. The appointment will be subject to the following engagement terms:

- Roles and responsibilities
- Audit planning
- Reporting requirements
- Frequency of reporting
- Assurances around independence and competence
- Access to information, members and officers
- Period of engagement
- Remuneration
- Any other matters Councillors may wish to include

2 Internal Audit

The following items are some of the key systems and processes which make up the Internal Audit Programme as approved by the Finance & Personnel Committee which relates to guidance referred to in Regulation 5(1) of the Accounts and Audit Regulations 2015, which needs to be taken into account in undertaking an effective internal audit:

- Checking that books of account have been properly kept throughout the year
- Review of Corporate Governance; Potential risks of Fraudulent Activity
- Check Standing Orders/Financial Regulations are current

- Review of Payment procedures, Approvals of associated issues including VAT identification and recovery
- Budgetary controls
- Assessment and Management of Risks
- Review of Income Control Systems
- Petty cash records
- Salaries and Wages controls
- Asset Registers
- Investments and Loans
- Bank reconciliations
- Annual Return/Financial Statements

The annual internal audit report focuses on ten internal control objectives covering the Council's key financial and accounting systems and concludes whether in all significant aspects the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

It is no longer the responsibility of the Internal Auditor to 'sign off' the completed Annual Governance and Accountability Return. Internal audit reports must inform the Council's responses to assertions 2 and 6 in the Annual Governance Statement. These will be reviewed by the Finance & Personnel Committee prior to authority given for the signing of the Return.

3 Annual Review of the Internal Audit

The Finance & Personnel Committee will annually review the effectiveness of the internal audit and will seek to evidence the Council's financial management. The review is primarily about effectiveness in terms of the quality of the delivery of the internal audit process not the process itself. An audit trail will be presented by the Responsible Financial Officer that clearly demonstrates the measures in place for good governance and adequate and effective controls for risk management.

Adopted by the Finance & Personnel Committee, December 2018