DORCHESTER PARISH COUNCIL

STATEMENT OF INTERNAL CONTROLS

Scope of the Responsibility

1.1. Dorchester Parish Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council has adopted the recommended Standing Orders and Financial Regulations to ensure the law and correct process is followed.

1.2. 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

2.1. 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

3.1. The Council

> 3.1.1. has appointed a Chair who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.
>
> 3.1.2. reviews its obligations and objectives and approves budgets for the following year at its October and/or November meetings. The December meeting of the Council approves the level of precept for the following financial year.
>
> 3.1.3. monitors progress against objectives, financial systems and procedures, budgetary control and carries out regular reviews of financial matters.
>
> 3.1.4.normally meets 12 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.
>
> 3.1.5.carries out regular reviews of its internal controls, systems and procedures.

3.2. Parish Clerk & Responsible Financial Officer

3.2.1.The Council has appointed a Parish Clerk 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 laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and polices are adhered to.

3.3. Payments

3.3.1.All payments are reported to the Council for approval. Two members of the Council must authorise all payments.

3.4. Risk Assessments / Risk Management

3.4.1.The Council carries out regular risk assessment in and regularly reviews its systems and controls.

3.5. Internal Audit

3.5.1.The Council will appointed an independent Internal Auditor. This appointment will be reviewed on an annual basis.

3.5.2 The independent Internal Auditor will annually review the adequacy of its financial records, procedures, systems, internal controls and risk management.

3.6. External Audit

3.6.1. The External Auditor will provide a Certificate of Audit annually following completion of the External Audit.

4. Review of Effectiveness

4.1. Dorchester Parish Council has responsibility for conducting an annual review of the effectiveness of its system of internal controls. The review of the effectiveness of the system of internal controls is monitored and informed by:

4.1.1.the Parish Clerk / Responsible Financial Officer

4.1.2.the work of the Independent Internal Auditor

4.1.3.the External Auditors through the Annual Return and their annual letter

4.1.4.the number of significant issues that are raised during the year.

5. Review

This statement is to be reviewed annually usually following completion of the Internal and External audits.