



# NORTH TAWTON TOWN COUNCIL

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## **THIS IS A CONTROLLED DOCUMENT**

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## **INTRODUCTION**

North Tawton Town Council (the Council) is a local authority funded largely by public money generated through the precept. The Council is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, and efficiently.

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 includes arrangements for the management of risk.

The Council is required to review at least annually the effectiveness of this system of financial control.

## **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The Council's system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure. It cannot provide an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and priorities the risk to policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them more effectively and economically.

The system of internal control accords with the practices set out in the most recent version of the Governance and Accountability in Local Councils: A Practitioners' Guide.

## **INTERNAL CONTROL ENVIRONMENT**

The Council has adopted Financial Regulations which set parameters for the Council's financial operations. The Council has appointed the Town Clerk as the Responsible Finance Officer (RFO) who implements financial systems and controls.

The Council uses Rialtas Accounting Software to process transactions and monitor performance against budget. An internal audit service is provided by Rachel Avery. The payroll is outsourced to DM Payroll Services Ltd.

The Council's internal monitoring is undertaken monthly by a nominated Councillor. Included in the monthly audit is auditing the bank reconciliations, online payments, credit card payments, invoices and standing orders and direct debits.

Any issues raised by the Internal Auditor are to be reported to the Council and resolved actions are monitored to ensure that they have been carried out and actioned within agreed timescales. Additionally, the Council seeks and receives appropriate property, legal, insurance and health and safety advice as appropriate to manage risk.

Use of gov.uk Domains: in accordance with the Governance and Accountability recommendations, and assertion 10 of the AGAR, the council has adopted gov.uk domains for the website and council email addresses. This measure enhances security and reinforces public trust in official communications.

Publication of Internal Audit Reports: the Council publishes its full internal audit reports on the Council website alongside the Annual Governance and Accountability Return (AGAR) which promotes transparency and accountability to the community.

The Council is responsible for:

- Establishing and monitoring the achievement of the authority's objectives.
- The facilitation of policy and decision making.
- Ensuring compliance with the established policies, procedures, laws and regulations.
- Identifying and management of risk.
- Ensuring that the best value and value for money are achieved in all purchases.
- Ensuring all committees receive regular and up to date reports on financial activities under their direction.
- Ensuring performance is regularly monitored against financial and operational budgets.
- Control and reports on the financial management of the Council.

## **REVIEW OF EFFECTIVENESS**

The Council through the RFO has responsibility for conducting a review of the effectiveness of the internal control system and the internal audit process. This will be reviewed at least annually by the Council.

The review of the effectiveness of the system of internal control is monitored by:

- The work of Officers within the Council reporting to the RFO.
- The Town Clerk is the Council's RFO who acts as the Council's legal advisor and administrator. The Town Clerk is responsible for administering the Council's finances, for advising of compliance with laws and regulations which 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.
- A Councillor is nominated at a meeting of the Council to undertake monthly checks of payments, bank reconciliations and credit card spending.
- The work and of the Internal Auditor, an independent person specialising in local council matters, reports to the Council on the adequacy of its records, procedures, systems, internal control and risk management twice yearly.
- External Auditor in their annual report.

Any concerns about the effectiveness of the system of internal control are investigated, reviewed action taken as appropriate.