

DRAFT**IVYBRIDGE TOWN COUNCIL****Statement of Internal Control****Year ended 31st March 2022****Introduction**

Ivybridge Town Council is responsible for ensuring that its business is conducted ethically and in accordance with the law, and that public funds are safeguarded, properly accounted for, and used economically, efficiently and effectively in the public interest.

The Council makes policy. Committees of the Council advise on and implement policies. Standing orders, Committee terms of reference and Financial Regulations and other policies set parameters for the Council's operations.

In discharging this overall responsibility, the Council is also responsible through the Responsible Financial Officer, who implements financial systems and controls, for ensuring that there is a sound system of internal control which allows for the effective exercise of the Council's functions and which includes arrangements for the management of risk.

The Council uses Rialtas Business Solutions Ltd who provide software and software maintenance for the accounting and booking package which is accessed through Citrix.

In addition to preparing the annual accounts, Microshade Business Consultants carry out intermediate financial checks. An independent internal audit service is provided by Auditing Solutions Limited and additional internal monitoring is undertaken by members.

The Council employs an electronics BACS payment system in connection with Lloyds Online Commercial Banking. The Council is aware of both the external and internal security implications and the system is password controlled with the involvement of both officers and designated members. The ability to make payment by other means has been retained.

The General Data Protection Regulations were introduced in May 2018 and the Council has introduced the appropriate policies and statements. The Council has appointed an external Data Protection Officer through Microshade Business Consultants and has also taken advice from professional legal and employment advisors Ellis Whittam (Worknest).

The Purpose of the System of Internal Control

The system of internal control is designed, as far as is practicable, to eliminate risks to the achievement of the Council's policies, aims and objectives. It cannot establish an absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise any risks to the policies, and objectives, to evaluate the likelihood of those risks being realised, the likely effects if they are realised, and to manage them effectively and economically.

The Internal Control Environment

The Council has established systems which:

- Monitor the achievements of the Council's objectives including major projects
- Facilitate policy and decision making
- Ensure compliance with established policies, procedures, laws and regulations
- Ensure that adequate training is afforded to both staff and members
- Identify, assess and manage risks to the Council, including how leadership is given to the risk management process and how staff are equipped to manage risk in a way appropriate to their role.
- Control and report on the financial management of the Council
- Account for the activities undertaken within the Watermark and monitor its operation as a multi-purpose facility adhering to a medium term financial strategy.

Review of Effectiveness

The Council through the Responsible Financial Officer has responsibility for conducting a review of the effectiveness of the system of internal control and the internal audit process.

The Watermark is the Council's established leisure facility which undertakes a range of trading activities including the staging of events and cinema films, an information centre dealing in the sale of books and tickets for events both internal and external, as well as a bar, coffee shop and catering facilities which collectively carry a higher financial risk than the previous council facilities. In the current year the Watermark has also been used by the local college as an examination centre.

The Council has made substantial investments in upgrading both catering and cinema facilities aimed at increasing turnover and cashflow and also in maintaining the fabric of the building. It also has a floor of offices with associated facilities for renting to small businesses.

Although business occupation has remained high in the current year, the Covid-19 pandemic has greatly affected the trading of the Watermark in all aspects of its business other than the business floor. A modest amount of government furlough pay support was received in the year.

Operating and financial systems are monitored by the Watermark Manager/ Responsible Financial Officer and through the Internal Audit function and the Watermark Committee made up of council members. The viability of both individual events and types of event are subject to regular monitoring.

The annual budget on which the precept for the following year is based, is presented to the appropriate Policy and Resources Committee meeting each year prior to submission to full Council for approval.

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

- The work of officers within the Council reporting to the Town Clerk, (The Responsible Financial Officer)
- The work of the Independent Internal Auditor
- The External Auditors in their annual letter
- Those elected Members with designated responsibility within this area

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

The Council through the Responsible Financial Officer has the responsibility of reviewing the effectiveness of the Internal Audit function, and has taken account of the provisions of the Accounts and Audit Regulations 2015. We are satisfied on all accounts that our arrangements are effective and meet expected standards. Council must approve the Statement of Control.

Signed.....
Cllr Sara Hladkij
Town Mayor 2021/22

Signed.....
Mr Jonathan Parsons
Town Clerk and Responsible Financial Officer

Date.....

Date.....

Cllr P Dredge
08.02.22