



## STOTFOLD TOWN COUNCIL

### INTERNAL CONTROL STATEMENT

#### 1. INTRODUCTION

Stotfold Town Council (the Council) is a local authority funded by public money. It is responsible for ensuring that its financial operations comply with legal and proper standards, safeguarding public funds, maintaining accurate financial records, and ensuring efficiency. The Council must review its system of financial control at least annually, informed by the work of the internal auditor, the Governance & Resources Committee, and any comments from external auditors in their interim and annual reports.

#### 2. THE PURPOSE OF INTERNAL CONTROL

The Council's system of internal control is to manage risk rather than eliminate it. It identifies, prioritises and mitigates risk while ensuring compliance with [Governance and Accountability in Local Councils: A Practitioners' Guide \(2024 edition\)](#).

The internal control system aims to:

- Ensure financial management is effective and in accordance with regulations.
- Identify and mitigate risks in financial and operational activities.
- Ensure compliance with policies, legislation and best practices.
- Provide assurance that resources are used efficiently and effectively.

#### 3. THE INTERNAL CONTROL ENVIRONMENT

The Council has adopted Financial Regulations which set parameters for the Council's financial operations. The Town Clerk implements financial systems and controls.

##### **Financial Management**

- The Council uses RBS Omega, a financial management system designed for town and parish councils, to process transactions, manage the cashbook, and maintain the purchase ledger.
- Budget performance is reviewed quarterly by Full Council and respective committees to ensure financial targets are met.

##### **Payroll & Banking**

- Payroll is managed in-house using Sage 50.
- Banking services are provided by Unity Trust, and investments are held with CCLA and Barclays. The Council, due to its turnover, is not covered by the Financial Services Compensation Scheme (FSCS).

##### **Audit & Risk Management**

- Internal audit services are provided by Parish and Town Auditing Solutions.
- The Governance & Resources Committee, in conjunction with the Town Clerk/RFO, monitors financial compliance and effectiveness. Any recommendations from audits are addressed promptly and within agreed timeframes.

- The Council seeks professional advice on property, legal, insurance, and health & safety matters to mitigate risk.

#### 4. RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for:

- Setting and monitoring strategic objectives.
- Policy and decision-making processes.
- Ensuring compliance with laws and regulations.
- Risk identification and management.
- Ensuring value for money in all purchases.
- Overseeing financial management, with the Town Clerk/RFO providing regular reports.
- Monitoring financial and operational performance.

The **Public Realm Officer** is the designated **competent person** for health and safety management.

#### 5. REVIEW OF EFFECTIVENESS

The **Town Clerk/RFO** leads an annual review of the internal control system, with findings reported to **Full Council**. This review is supported by:

- Reports from Officers within the Council.
- The Town Clerk/RFO's oversight of financial management and regulatory compliance.
- The Governance & Resources Committee's assessment of financial priorities and procedures.

The **Town Clerk/RFO** ensures that:

- Financial records are maintained to support accurate reporting.
- Transactions are recorded promptly and accurately.
- Assets and liabilities are documented.
- Risks are managed effectively through appropriate controls.

Financial duties are segregated where possible to minimise fraud risk. All payments comply with the Council's Financial Regulations and Governance & Accountability guidance (2024 edition).

#### 6. AUDIT & ASSURANCE

##### Internal Audit

- The Council appoints an Internal Auditor who conducts two audits per year.
- Audit reports are reviewed by the Governance & Resources Committee and then presented to Full Council, with any necessary actions implemented.

##### External Audit

- The Council operates under the limited assurance scheme.
- The current External Auditor for Bedfordshire is Mazars, appointed by Smaller Authorities Audit Appointments Ltd (SAAA) on behalf of the Department for Levelling Up, Housing and Communities.

## **7. BUSINESS CONTINUITY & ASSET MANAGEMENT**

- The Council maintains a Business Continuity Plan for its primary office site, which is reviewed and updated regularly.
- Employee contact details are stored securely in a cloud-based system accessible remotely by Heads of Service.
- The Council's data is securely stored in the Cloud.
- The Governance & Resources Committee reviews the Asset Register annually.
- The Asset Management Policy includes a maintenance programme for play areas and buildings.

## **8. INSURANCE**

- The Council reviews insurance policies every three years to ensure best value and protection.
- Policies cover physical assets, public liability, employer's liability, and fidelity guarantees (protection against fraudulent activities by employees).

## **9. EMPLOYEES & COUNCILLORS**

### **Employee Policies**

- The Council maintains an Employee Handbook covering policies on bullying, harassment, disciplinary procedures, and whistleblowing.
- An HR provider is retained to manage employment-related disputes and legal compliance.
- Ongoing training and professional development are encouraged to enhance skills and job satisfaction.
- Health & Safety and Data Protection training are mandatory for all staff.
- Operational procedures are documented to safeguard institutional knowledge in case of staff turnover.

### **Councillor Responsibilities**

- Councillors receive ongoing training to improve awareness, effectiveness, and legislative compliance.
- Policies guiding Councillors include:
  - Code of Conduct
  - Declaration of Interests
  - Dispensations Procedure
  - Councillor/Officer Protocol
- Declaration of interests is a standing agenda item at all Council and Committee meetings and is recorded in the minutes as a matter of public record.