

Ottery St Mary Town Council

Statement of Internal Control

For the period 1st April 2026 – 31st March 2027

1. Scope

Ottery St Mary Town Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this duty, 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. Purpose

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.

The system of internal control is in place at the Council from date of approval for the year ending 31st March 2027 and up to the date of approval of the annual report and accounts in accordance with proper practice.

3. Internal Control Environment The Council

The Council has appointed a Mayor who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves budgets for the following year at its October and November meetings. At the December or January meeting the Council approves the level of the Precept for the following financial year.

The Council has nominated a Member to monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The Full Council meets monthly and monitors progress against its financial

aims and objectives at each meeting by receiving relevant reports from the Clerk and the nominated member.

The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk and Responsible Financial Officer

The Clerk to the Council acts as the Council's advisor and administrator. The Clerk is the Responsible Financial Officer and responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with the 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 policies are adhered to.

4. Payments

Where possible all payments are made electronically by the Clerk. All payments are reported to the Council for approval and are minuted. Some regular payments are paid by direct debit following approval by Council. Two members of the Council must authorise every payment. Where this is not possible a debit card is used by the Clerk following the process detailed in the Debit Card policy.

5. Risk assessment and management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

6. Internal Audit

The Council has appointed an Independent Internal Auditor who reports in writing to the Council on the adequacy of its

- Records
- Procedures
- Systems
- Internal Control
- Regulations
- Risk Management

The Effectiveness of Internal Audit is reviewed annually

7. External Audit

The Council has been appointed External auditor PKF Littlejohn. Following completion of the External Audit the annual Certificate of Audit is provided, which is presented to the Council

8. Review of Effectiveness

The Council has a responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of effectiveness of the system of internal control is informed by the work of:

- The full Council
- The Clerk/RFO who has responsibility for the development and maintenance of the internal control environment and managing risks
- The independent Internal Auditor who reviews the Council's system of internal control
- The external auditor who make the final check using the Annual Return.
- Issues that are raised during the year.

Review of Statement

This statement was reviewed by The Council at its meeting on (3rd August 2026) and will be reviewed annually