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STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDING 31 MARCH 2026

SCOPE OF RESPONSIBILITY

Crediton Town Council (CTC) is a local authority funded largely by public money. It is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, CTC is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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 CTC’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 has been in place for the year ending 31 March 2026 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Governance and Accountability for Local Councils Practitioners’ Guide (England).

THE INTERNAL CONTROL ENVIRONMENT

The Council

CTC has appointed a Chair, who is also the Mayor, who is responsible for the smooth running of meetings. For the year ending 31 March 2026 this was Councillor Steve Huxtable.

CTC reviews its obligations and objectives and approved a budget for the financial year 2025/26 at its meeting held on Tuesday 21 January 2025 (minute number 2025/092.1). CTC also approved the level of precept for the financial year 2025/26 at the same meeting (minute number 2025/092.2).

CTC and its committees monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings are circulated to all members of CTC and are published on its website: www.crediton.gov.uk.

Full Council meets twice monthly and receives the minutes of all committees and ratifies the decisions therein. CTC also monitors progress by receiving relevant reports from its committees, members and the Town Clerk & Responsible Financial Officer (RFO).

No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget, unless a virement has been approved by full council. The Town Clerk may incur expenditure on behalf of the council, which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £2,000.00 as per CTC's adopted Financial Regulations. The Town Clerk shall report the action to the appropriate Committee or Council as soon as practicable thereafter.

CTC has appointed specific members to review its internal controls, systems and procedures by way of random internal control checks conducted on a monthly basis.

Town Clerk / RFO

CTC has appointed a Town Clerk who acts as the council's advisor and administrator. The Town Clerk is also the council's RFO and is responsible for administering its finances. The Town Clerk is responsible for advising on the day to day compliance with laws and regulations that CTC is subject to and for managing risks. The Town Clerk also provides advice to ensure that its procedures, control systems and policies are adhered to.

Payments

All expenditure must be authorised by CTC or by a committee having delegated authority, or by the Town Clerk after consultation with the appropriate Chair. The list of orders is available for inspection by any member of the council on demand.

All payments and receipts are entered onto the Rialtas Omega Accounting System.

All payments and receipts are reported to CTC. A copy of all receipts and payments are provided within the minute pack of the relevant meeting when they are approved, together with the bank reconciliation and year to date budget sheet. The RFO and two members of the council must sign off every order for payment. The RFO and two signatories check each order for payment against the relevant invoice. Payments are either made by BACS or by cheque.

CTC also checks the bank reconciliation against the bank account and the year to date budget sheet at Full Council meeting's on a monthly basis.

Income

All income is received and banked in CTC'S name in a timely manner and reported to Full Council.

A copy of all payments and receipts are also separately published on CTC's website: www.crediton.gov.uk.

Contracts

Procedures as to contracts are laid down in CTC's Standing Orders and Financial Regulations, and oversee all contract procedures.

Risk Assessments / Risk Management

CTC carries out regular risk assessments to record risks and related health and safety, employment and insurance issues. The Town Clerk will report on risk assessments for consideration and action.

Internal Audit

The Council appointed IAC Audit and Consultancy Ltd as its independent internal auditor for 2025/26 who has reported on the adequacy of its records, procedures, systems, internal control and risk management.

External Audit

The Council's appointed external auditor for 2025/26 is PKF Littlejohn LLP. Following completion of external audit the annual Certificate of Audit is provided, which is presented to Full Council. The notice of conclusion of audit & annual return is also published on CTC's website.

REVIEW OF EFFECTIVENESS

CTC has responsibility for conducting an annual review of the effectiveness of its systems of internal control. The review of the effectiveness of the system of internal control is monitored and informed by:

- The Town Clerk/RFO
- The work of officers reporting to the Town Clerk/RFO
- The work of the Independent Internal Auditor
- The External Auditors in their annual review
- 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.

We are satisfied on all accounts that our arrangements are effective and meet expected standards. CTC approved the Statement of Internal Control on 14 April 2026.

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(Chair) **Date**

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(Town Clerk & Responsible Financial Officer) **Date**