

# **HITTISLEIGH PARISH COUNCIL**

## **STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2024**

### **1. SCOPE OF RESPONSIBILITY**

Hittisleigh Parish 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 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 which includes arrangements for the management of risk.

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

The system of internal control is to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the Clerk who is the Responsible Financial Officer (RFO) but the Council members must ensure that they have an understanding of those controls and that they are operated effectively.

### **3. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT**

#### **3.1 The Council:**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman (or if absent, the Vice Chair) signs the minutes at the Council meetings when they are approved.

Decisions are made in accordance with the Standing Orders approved by the Council.

The business of the Council is not large enough to warrant a separate Finance Committee. The financial position is reviewed by the whole Council twice a year, once in November to review the asset register, to review and agree a budget and the precept for the following year and once in May to review the end of year accounts. The system of internal control, the financial regulations and the risk register will now be reviewed in March.

All expenditure is agreed at Council meetings and minuted. In the case of grants, such as may be received for Highways work, expenditure may be agreed outside of Council meetings if required subject to confirmation from all councillors (via email/phone) and the details subsequently minuted at the next Council meeting.

Two signatories (Chair and one other councillor) are required to sign all cheques. The signatories ensure that the cheque agrees with the amount of the invoice and the payee named on the invoice where applicable. The Council does not use online banking.

### **3.2 Clerk to the Council / Responsible Financial Officer:**

The Clerk is the Council's Responsible Financial Officer (RFO) and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with 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 maintained.

The RFO submits all the requested information to the Internal and External Auditor by the required date and arranges for the public notices to be displayed.

The RFO retains all relevant documents relating to the financial year for 10 years (Annual Return, PAYE/NIC information, public notices, fixed asset register, risk register, accounts and supporting information)

### **3.3 Internal Auditor**

The Council appoints an Independent Internal Auditor who reports to the Council on the adequacy of its records, procedures, risk management, financial regulations and processes and its system of internal control.

The Internal Auditor inspects the accounts for the year end (prior to approval of the Annual Governance statement and the Accounting statements by the Council) and completes the relevant section of the Annual Return. The findings of the Internal Auditor are copied to all councillors.

The scope of the work the Internal Auditor and the effectiveness of the internal audit is reviewed every two years. The review and the appointment is minuted.

### **3.4 External Audit:**

If any comments arise from the External Auditors, these are considered at the next Council meeting and any actions discussed and minuted accordingly.

## **4. REVIEW OF EFFECTIVENESS**

The Council conducts an annual review of the effectiveness of the system of internal control.

Reviewed by Hittisleigh Parish Council June 2023 (no changes)  
Date of Next Review: March 2024