



STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING MARCH 2025 AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL

The following Statement of Internal Control was considered by Carhampton Parish Council at its meeting on 6 February 2025 and approved by the Council as a true statement. Having reviewed the Statement of Internal Control, it was **RESOLVED** that Carhampton Parish Council considers the current system of internal control to be effective.

1. Scope of Responsibility

Carhampton Parish 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 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 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.

3. The Internal Control Environment:

a. The Council

The Council meets at least eleven times a year. The Council has made and will keep under review Financial Regulations and Standing Orders. The Council's system of Internal Control is ancillary to and underpins the Financial Regulations and Standing Orders but goes beyond their requirements.

The Council has appointed a chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its November Meeting. The Council monitors progress against its aims and objectives at its meetings by receiving relevant reports from the Parish Clerk. The Council regularly reviews its internal controls, systems and procedures.

b. The Clerk/Responsible Financial Officer

The Council has appointed a Proper Officer/Clerk of the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer 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 adhered to.

c. Councillors

Each member must complete a Register of Interest form. Members ensure that any interest is declared at the beginning of the meeting or before the matter is discussed.

d. Internal Audit

The Council agrees the appointment of an independent Internal Auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters. The reports of the Internal Auditor are considered at a full council meeting.

e. External Audit

Where appropriate, the Council's External Auditors submits an annual Certificate of Audit which is presented to the Council.

4. Financial and Accounting Procedures

a. Financial Regulations

The Council has adopted financial regulations, based on the model version prepared by NALC/SLCC. The Financial Regulations will be reviewed for continued relevance and amended where necessary by the Council at least bi-annually. The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.

b. Payment Signatories

Payments are listed and presented at the council meeting and approved by Council. Copy invoices are provided for reference and initialled by two councillors. Two Members of Council must sign every cheque or authorise any online bank payment or transfer. Where payment is made by cheque, the signatories also initial the cheque stubs. Where payment is made electronically, a record of the two signatories is retained.

c. Payroll

The Clerk is paid under PAYE as an employee monthly. All salary payments are presented at the council meeting and approved by Council. The Clerk submits all the necessary payroll returns to HMRC directly. The Clerk retains evidence that this has been done.

d. Expenses

Requests for reimbursement of monies are listed and presented at the council meeting and approved by Council. Copy receipts for goods or services purchased are provided for reference before payments are authorised. Mileage at an approved rate is paid to the Clerk.

e. VAT Repayment Claim

The RFO ensures that all invoices are addressed to the Council and proper VAT invoices are received where VAT is payable. The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed at least once a year and reconciles the VAT payment when received by BACS payment.

f. Income

The RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the Unitary Authority and ensures that the precept payment is received when due.

g. Cash Book/Bank Reconciliations

The cash book is kept electronically and reconciled to the bank statement monthly. The bank reconciliation statement is reported to the Council once available.

h. Budgetary Control

The RFO will ensure that all entries in the cash book are endorsed within the correct budgetary centre. A budget report is reported to the Council monthly.

5. Asset Management

The Council's Asset Register is reviewed on an annual basis by the Council. The adequacy of insurance of the Council's assets is considered annually in advance of the insurance renewal.

6. Risk Assessments/Risk Management

Councillors carry out regular inspections of the Junior Playing Field and the defibrillator. Risk assessments are undertaken in respect of the Council's activities and its system and controls. The asset register and inspection schedule are updated as required and reviewed regularly and at least annually.