

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2026 AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL

The following Statement of Internal Control was considered by Carhampton Parish Council at its meeting on 5 February 2026 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 is responsible for ensuring that its business is conducted lawfully, in accordance with proper standards, and that public money is safeguarded and properly accounted for. In fulfilling these responsibilities, the Council must maintain a sound system of internal control that supports the effective exercise of its functions and includes robust arrangements for managing risk.

2. The Purpose of the System of Internal Control

The Council's system of internal control is designed to manage risk to a reasonable level; it cannot eliminate all risk of failure. As such, it provides reasonable - rather than absolute - assurance of effectiveness.

The system is based on an ongoing process that identifies and prioritises risks to the achievement of the Council's objectives, evaluates the likelihood and potential impact of those risks, and ensures they are managed in an efficient, effective, and economical manner.

3. The Internal Control Environment:

a. The Council

The Council maintains, and regularly reviews, its Financial Regulations and Standing Orders. The system of internal control supports these documents and strengthens them, providing additional safeguards beyond their basic requirements.

The Council elects a chairman who is responsible for ensuring meetings run smoothly. Each November or December, the Council reviews its objectives, statutory obligations, and the level of precept required for the following financial year. Once approved, the annual budget becomes the framework for financial control for the year ahead.

The Council meets on average 10 times a year.

b. The Clerk/Responsible Financial Officer

The Council has appointed a Clerk who serves as its advisor and administrator. The Clerk also acts as the Responsible Financial Officer (RFO), with responsibility for managing the Council's finances. In addition, the Clerk oversees day-to-day

compliance with all relevant laws and regulations, manages risks, and ensures that the Council's procedures, control systems, and policies are properly followed.

c. Councillors

Each councillor must complete a Register of Interests form. Councillors are also responsible for declaring any relevant interest at the start of a meeting, or before the item in question is considered.

d. Internal Audit

The Council appoints an independent Internal Auditor to review the adequacy of its systems, procedures, internal controls, and risk-management arrangements. The Internal Auditor reports directly to the Council, and their findings are considered at a full Council meeting.

e. External Audit

The Council's external auditor is appointed independently by Smaller Authorities' Audit Appointments (SAAA), the body responsible for procuring and allocating auditors to parish councils. The External Auditor reviews the Council's Annual Governance and Accountability Return (AGAR) and considers whether the Council has proper arrangements in place for financial management and the safeguarding of public funds. The External Auditor's conclusions are reported to the Council and are considered at a full Council meeting.

4. Financial and Accounting Procedures

a. Financial Regulations

The Council has adopted Financial Regulations. These are reviewed at least every two years to ensure they remain relevant and are amended where necessary. The Regulations set out the number of estimates, quotations, or tenders required, depending on the value and nature of the work.

b. Payment Signatories

All payments are listed and presented at a Council meeting for approval. Copy invoices are provided for reference to those authorising payments. Every cheque, online payment, or bank transfer must be authorised by two Members of the Council. Where payment is made by cheque, the signatories also initial the cheque stubs. Where online payments are made, a record is retained of the authoriser, date and time.

c. Payroll

All salary payments are presented at a Council meeting for approval. The Council uses HMRC software to ensure that all required payroll returns are submitted to HMRC.

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 correctly addressed to the Council and that valid VAT invoices are obtained where VAT is payable. A VAT account is maintained to ensure the correct amount is reclaimed at least annually, and the repayment is reconciled when received by BACS.

f. Income

The RFO checks that the precept received matches the amount requested from the Unitary Authority and ensures that the payment is received on time.

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 ensures that all cash book entries are allocated to the correct budget heading. A budget monitoring report is presented to the Council each month.

5. Risk Assessments/Risk Management

Councillors carry out regular inspections of the Junior Playing Field and the defibrillator, and the Council engages a professional inspection company to carry out an independent annual safety inspection of all play equipment annually.

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. Risk assessments are undertaken in respect of the Council's activities and its system and controls.

7. Transparency and Accountability

The Annual Governance and Accountability Return (AGAR), together with all supporting documents, is made available for public inspection each year. In addition, Council agendas and minutes are published on the Council's website to ensure that residents can easily access information about the Council's decisions and financial management.

8. Digital Compliance

The Council operates its website and email system on a secure .gov.uk domain. An external adviser is engaged to maintain digital security and to ensure that the Council's website continues to meet current accessibility standards (WCAG 2.2 AA). The Council has adopted an IT Policy that sets out clear expectations for email usage, cybersecurity, data protection, and digital communications. These arrangements support the Council's compliance with the digital and data requirements of the AGAR and form an integral part of its system of internal control.