

WEST PARLEY PARISH COUNCIL



STATEMENT OF INTERNAL CONTROL YEAR ENDING 31st MARCH 2026

**Adopted by the Council on 18th February 2026
Reviewed Annually**

SCOPE OF RESPONSIBILITY

West Parley Parish Council (like all parish councils) forms the first tier of local government and 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. Much of the law to which parish councils are subject may seem pedantic at the parish level and can be onerous, but it is nevertheless essential for parish councils to adhere to it.

In discharging this overall responsibility, West Parley Parish Council (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.

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.

The system of internal control has been in place at the Council for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts.

THE INTERNAL CONTROL ENVIRONMENT

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 Council reviews its obligations and objectives and approves budgets for the following year at its December or January meeting. The January Council meeting approves the precept level for the following financial year.

The Council monitors progress against objectives, bank reconciliations, financial systems and procedures, budgetary control and carries out regular reviews of financial matters. The full Council meets twelve times each year. It monitors progress by receiving relevant reports from the Responsible Financial Officer.

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

Proper Officer to the Council and Responsible Financial Officer:

The Council has appointed a Proper Officer to the Council who acts as the Council's advisor and administrator and Responsible Financial Officer responsible for administering the Council's finances. The Proper Officer is responsible for advising on the day to-day compliance with laws and regulations that the Council is subject to and managing risks. The Proper Officer also provides advice to help the Council adhere to its procedures, control systems and policies.

Payments:

All payments are reported to the Council for approval. Two Members of the Council must authorise every payment, with details of the payments being publicly available on the website.

Risk Assessments / Risk Management:

The Council has adopted a Risk Assessment which is reviewed annually or when there is a significant change.

The Council has contracted an independent Fire Risk Assessment on Council property.

Internal Audit:

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

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management
- Reviews

The effectiveness of the internal audit is reviewed annually by the Council.

External Audit:

The Council's External Auditors submit an annual Certificate of Audit which is presented to the Council.

REVIEW OF EFFECTIVENESS

- The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:
 - The Full Council;
 - The Clerk to the Council & Responsible Financial Officer 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 Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chair and the Internal Auditor. The external auditors issue an annual audit certificate.

The following questions are designed to help ensure that the Council meets the internal audit requirements of the Accounts and Audit Regulations 2015; amendment 2024.

It is advised that this checklist is completed at least once a year. If 'NO' is ticked for any question there should be a re-evaluation of procedure.

	YES	NO	Comment
Budgets			
The annual budget is prepared and approved by the Council showing both income and expenditure	x		
Performance is measured against budgets at regular intervals	x		Presented to council quarterly. Viewable anytime on Scribe
Postal Receipts			
Incoming post is opened by a member of staff	x		
Incoming cheques and cash recorded immediately	x		
Entries are verified by another person other than the person making the entry	x		Monthly Bank Reconciliation
The security of unopened post ensured	x		
Wages and Salaries			
Staff are employed under proper contract of employment and Compliance with PAYE/NIC regulations are ensured.	x		
Salary / Tax and NI calculations checked quarterly	x		Chair (Vice in their absence)
Control over fixed assets			
A list is held and updated regularly	x		
Assets are checked regularly to ensure they are still in good repair and of use to the council	x		
Fixed assets are insured	x		

Fixed assets are reviewed annually	x		
Safe keeping and controls of all keys and locks pertaining to the council	x		
Section 137 Payments			
Have section 137 payments been stated in the minutes & are they within the annual limit of £11.10 per elector	x		
Are section 137 payments identified in the accounts	x		
Bank Accounts			
Secure records are kept of all accounts	x		
Regular bank reconciliations are carried out	x		monthly
Instructions to open or close accounts are properly authorised and/or reported to the council	x		
Bank statements are regularly inspected by the RFO	x		monthly
Bank statements are regularly inspected by the finance lead	x		Cllr Manuel
Banking and Custody Procedure			
Incoming receipts are banked promptly and regularly	x		
Petty cash is no longer held	x		
All incoming money is banked and no additional amounts held over for petty cash	x		
Control over Expenditure			
All expenditure is properly authorised	x		
Supporting documentation is held for all expenditure eg invoices	x		
Cheque books etc are kept in a secure place	x		

Control over purchases			
Invoices are checked against orders made	x		
Records are kept of orders placed but not carried out	x		
The quality and quantity of goods supplied is checked against orders made	x		
Payments are made only against original invoices	x		
Payment by cheque/electronic banking/Standing Order			
The council complies with the regulations governing who can authorise payments of the council either by cheque or electronic banking (at least two members other than the RFO signing cheques and authorising electronic payments)	x		
There are a minimum of two signatories on the bank mandate	x		
There is a policy for not signing blank cheques	x		
Every effort is made to minimise cash payments	x		
All expenditure is recorded on Scribe accounts and noted with the relevant cheque number/invoice number / electronic payment date	x		
All cheque stubs are completed at the time of payment and initialled by the 2 signatories	x		
Cheques/electronic payments are only signed/authorised with documentary evidence of the nature of the payment	x		
VAT			
VAT is reclaimed quarterly and VAT claims up to date	x		The HMRC July to December claim window was pushed back to January following VAT registration on 10th July 2025.

Insurance			
Is there adequate insurance cover for the following:			
• Buildings	x		Increased to 1.7m
• Buildings contents	x		Included in the above
• Street Furniture	x		
• Fidelity (guide: year-end retained balances + half the years precept)	x		Up to £100K
• Public Liability	x		
• Employer liability	x		
• Cyber insurance	x		
• Any other items requiring insurance	x		
Internal Auditor			
Is the Internal auditor independent of the council	x		Changed 2025
Is the internal auditor appropriately qualified and competent	x		
Does the internal auditor meet the needs of the council	x		
Signed	Dated		