

# **CREDITON HAMLETS PARISH COUNCIL (the Council)**

## **STATEMENT OF INTERNAL CONTROL**

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

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 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 but the Council members must ensure they have an understanding of those controls and that they are operated effectively.

### **3. PERSONNEL INVOLVED IN THE INTERNAL CONTROL SYSTEM**

#### **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 signs each page of the minutes at Council meetings.

Decisions are made in accordance with Standing Orders and the Financial Regulations (if any) approved by the Council.

The Council reviews its financial position each year when the budget and precept for the following year are set. The Council's personnel committee meets when required to consider the clerk's salary and review the clerk's job description.

The Council receives a budget report each quarter.

Two councillors (out of three named signatories) sign all cheques. The chairman ensures that the cheque agrees with the amount of the invoice and the payee named on the invoice. The invoices are initialled by the chairman.

The clerk does not authorise payments.

The Council resolves to agree the receipts and payments made at each Council meeting.

#### **3.2 The Clerk/Responsible Financial Officer**

The Council has appointed a Clerk 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 day to day compliance with laws and regulations to which the

Council is subject and for managing risks. The clerk ensures that the Council's procedures, control systems and policies are maintained.

The duties of the Clerk/RFO are set out in a job description which is reviewed from time to time.

The RFO submits all requested information to the Internal and External Auditor by the required date.

The RFO arranges for the public notices to be displayed.

The RFO retains all relevant documents relating to finances for 10 years (annual return, VAT returns, PAYE/NIC information, public notices, fixed asset register, risk assessments, accounts and supporting information).

### **3.3 Internal Auditor**

Each year the Council appoints 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 and the council agrees to the appointment of the internal auditor.

The scope of the work of the internal auditor is reviewed annually and the review and the appointment are minuted.

The internal auditor inspects the accounts at the year end 31<sup>st</sup> March (prior to the completion of the external audit if one is necessary) and completes and signs the required audit form.

The findings of the internal audit are copied to all members of the Council and considered at the next Council meeting.

### **3.4 External Audit**

If so required the Council's external auditors submit an external auditor's report, which is considered at the next Council meeting.

## **4. REVIEW OF EFFECTIVENESS**

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

Reviewed by Council 7<sup>th</sup> April 2025