

# Statement of Internal Control

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This statement is prepared in accordance with the Accounts and Audit Regulations and proper practices in governance and financial management.

## ***Scope of Responsibility***

Moretonhampstead Parish Council (the Council) is a local authority funded by public money and is responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council must safeguard public money and ensure that it is properly accounted for and used economically, efficiently and effectively. The system of internal control is designed to manage risks to a reasonable and acceptable level and forms part of an ongoing process to identify, prioritise and manage risks to the Council's policies, aims and objectives.

The Council's system of internal control is intended to provide reasonable assurance that risks to the achievement of the Council's objectives are identified, evaluated and appropriately managed.

## ***The Internal Control Environment***

### **The Council:**

- Appoints a chairman to oversee meetings and ensure all Council decisions are lawful, with advice from the Clerk.
- Reviews its obligations and objectives and approves budgets at its December meeting, including setting the precept for the following financial year.
- Meets 11 times each year and monitors progress against its aims and objectives.
- Annually reviews risk assessments, standing orders and financial regulations.
- Seeks to demonstrate value for money in all procurement decisions.
- Council decisions are taken in accordance with adopted Standing Orders, Financial Regulations and relevant legislation.

### **Clerk and Responsible Financial Officer:**

The Council appoints a Clerk, who also serves as the Responsible Financial Officer, responsible for:

- Acting as the Council's advisor and administrator.
- Administering the Council's finances and ensuring compliance with relevant laws and regulations.
- Managing risks and ensuring adherence to the Council's procedures, control systems, and policies.
- Monitoring spending against the budget and reporting quarterly to the Finance and Policy Committee.

Delegated authority is exercised only where permitted by Council policy and is reported to members for transparency and accountability.

#### **Payroll Controls:**

- The clerk has a contract of employment with clear terms and conditions.
- Salary payments are in line with those approved by the Council.
- Payroll functions are managed by **DM Payroll Services Ltd**, ensuring compliance with PAYE and National Insurance legislation.
- Salary reviews and staffing matters are overseen by the Council's staffing arrangements.

#### **Payments:**

- All payments are reported to the Council for approval.
- Payment schedules are reviewed by councillors prior to authorisation.
- Are made in accordance with the Council's Financial Regulations and authorised by any two authorised signatories.
- The Council seeks to maintain appropriate segregation of duties between authorisation, payment processing and reconciliation.
- Banking passwords must not be saved or remembered on computers used for Council banking, and they must be changed regularly.

#### **Income:**

- The Clerk invoices for services and ensures payments are banked in the Council's name in a timely manner, normally via BACS.
- All income transactions are reported to the Council.
- All income is reconciled during monthly financial checks.

#### **Risk Assessments (Risk Management):**

- Risk assessments are conducted periodically for Council actions, systems, and controls.
- Cybersecurity measures, including compliance with GDPR, are in place to protect financial and personal data.
- Councillors and staff are provided with guidance on cyber security risks.

#### **Internal Controls Councillor**

- The Council appoints a Councillor as Internal Controls Councillor (ICC) to oversee financial controls.
- The ICC conducts monthly checks using the Internal Controls Checklist.
- A report from the ICC is presented at the following full Council meeting.

- The Internal Controls Councillor operates independently of financial transaction processing.

**The Internal Audit:**

- An independent Internal Auditor is appointed to review the adequacy of the Council's records, procedures, systems, internal controls, regulations, and risk management practices.
- The Internal Auditor reports to the council annually.

**Standing Orders:**

- The Council has adopted the NALC Model Standing Orders and reviews annually.

**Financial Orders:**

- The Council has adopted the NALC Model Financial Regulations and reviews annually.

**V.A.T.**

- V.A.T. payments are identified, recorded and reclaimed by the Clerk annually.

**Asset Register:**

- The Council maintains and updates a register of all material assets owned or in its care. with an annual review and approval by the Council.
- Assets are physically inspected periodically and verified against the asset register.

**Insurance:**

- The Council's insurance provision is reviewed annually both in relation to its schedule of cover and also its value for money.
- Insurance cover is reviewed to ensure it reflects current asset values and operational risks.

**Code of Conduct:**

- Each member must sign an Acceptance of the Code of Conduct and complete a Register of Interests form.
- Councillors must declare any interests at the beginning of a meeting or before a relevant agenda item is discussed.
- A standing agenda item, Declarations of Interest, is included in every meeting to ensure compliance.
- Failure to comply with the Code of Conduct may result in reputational and legal risks to the Council.

Reviewed April 2026

Next review April 2027