



**STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDING 31st MARCH 2019**

1. SCOPE OF RESPONSIBILITY

Wye with Hinxhill 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 as required by Section 2 of the Annual Return – Annual Governance Statement.

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.

The system of internal control has been in place at the Council for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. 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 January meeting. The January meeting of the Council approves the level of precept for the following financial year.

The full Council meets twelve times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk to the Parish Council.

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

Clerk to the Council / Responsible Financial Officer (RFO): the Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Responsible Financial Officer 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 polices are adhered to.

Payments: All payments are reported to the Council for approval. Two members of the Council must authorise every payment.

Income: All income is received, recorded and banked in the Councils' name in a timely manner and reported to the Council. The Council does not hold cash nor does it operate a cash account.

Risk Assessments / Risk Management: The Council carries out regular risk assessments in respect of actions, and regularly reviews its systems and controls.

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

- record keeping, and the security of back-up copies
- banking and other procedures
- policies and systems
- internal controls
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually by the Council, following receipt of the Independent Internal Auditor's formal report and recommendations.

External Audit: The Council's External Auditors, PKF Littlejohn LLP, submit an annual Certificate of Audit, which is presented to the Council.

4. 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 and in particular, any new areas of work undertaken and the risks arising;
- 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 Audit Commission, 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 Chairman and the Internal Auditor. The Audit Commission issue an annual audit certificate;
- and specifically, the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2018-2019 financial year.

Whilst no significant internal control issues were identified during the year, the Council strives for the continuous improvement of the system it has adopted for internal control, and has addressed all the minor issues and weaknesses raised and reported during the review process.

CLlr D. Reece

Chairman

D. Baines

Clerk

6th June 2019

Date