

**LISS PARISH COUNCIL  
STATEMENT OF INTERNAL CONTROL  
FOR THE YEAR TO 31<sup>ST</sup> MARCH 2018**

**1. SCOPE OF RESPONSIBILITY**

Liss Parish Council (“LPC”) 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, LPC is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of LPC’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 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 LPC’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 internal control environment encompasses the Standing Orders and Financial Regulations of LPC.

The system of internal control has been in place at LPC for the financial year 1<sup>st</sup> April 2017 to 31<sup>st</sup> 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 practise.

**3. THE INTERNAL CONTROL ENVIRONMENT**

LPC has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all LPC decisions are lawful.

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

LPC has a Finance Committee to monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The full LPC meets eleven times each year and monitors progress against its aims and objectives by receiving relevant reports from the Parish Clerk/Responsible Finance Officer and the Chairman of the Finance Committee.

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

**Clerk to the Council**

LPC has appointed a Clerk to the Council who acts as the Council’s advisor and administrator. The Clerk is responsible for the day to day compliance with laws and regulations to which LPC is subject and for managing risks. The Clerk also ensures adherence to LPC’s procedures, control systems and policies.

**Responsible Financial Officer**

LPC has appointed a Responsible Finance Officer (“RFO”) and the RFO is responsible for administering the Council’s finances.

**Payments**

Where possible all payments are made by cheque or electronically by the RFO. All payments are reported to LPC for approval and minuted. Three mandated bank signatories must

authorise payment (through signature of cheques and initialling of invoices). The signatories will be at least two Councillors and the Clerk.

### **Risk Assessments/Risk Management**

LPC carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

### **Internal Audit**

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

- Records
- Procedures
- Systems
- Internal Control
- Regulations
- Risk Management
- Reviews

The effectiveness of the internal audit is reviewed annually.

### **External Audit**

LPC's External Auditors, PK Littlejohn, submit an annual Certificate of Audit which is presented to LPC.

## **4. REVIEW OF EFFECTIVENESS**

LPC 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/RFO who has responsibility for the development and maintenance of the internal control environment and managing risks
- The Independent Internal Auditor who reviews LPC's system of internal control.
- LPC's External Auditors, who make the final check using the Annual Return, a form completed and signed by the RFOfficer, the Chairman and the Internal Auditor. The External Auditors issue an annual audit certificate that is presented to LPC.

## **5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No significant internal control issues were identified during the 2017/2018 financial year.

Whilst no significant internal control issues were identified during the year LPC 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.

R Hargreaves  
Chairman of the Council

A Wright  
Chairman of Finance Committee

R Bowery  
Responsible Financial Officer