

**LISS PARISH COUNCIL
STATEMENT OF INTERNAL CONTROL
FOR THE YEAR TO 31ST MARCH 2019**

1. SCOPE OF RESPONSIBILITY

Liss Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law & 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 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 internal control environment encompasses the Standing Orders & Financial Regulations of the Council.

The system of internal control has been in place at the Council for the financial year 1st April 2018 to 31st March 2019 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

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 November or December meeting. The November or December meeting of the Council approves the level of precept for the following financial year.

The Council 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 Council meets eleven times each year and monitors progress against its aims and objectives by receiving relevant reports from the Parish Clerk and the Chairman of the Finance Committee.

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

Clerk to the Council/Responsible Financial Officer

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Council has also appointed a Temporary Responsible Financial Officer who 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 policies are adhered to.

Payments

Where possible all payments are made by cheque or electronically by the RFO. All payments are reported to the Council for approval and minuted. Three Mandated bank signatories must authorise payment (through signature of cheques & signature of authorising documents supported by suppliers invoices). The signatories will be at least two Councillors & either the Clerk or the RFO.

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 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.

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
- The Clerk to the Council & the 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 Chairman and the Internal Auditor. The External Auditors issue an annual audit certificate that is presented to Council.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2017/18 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.

R Hargreaves
Chairman of the Council

A Wright
Chairman of Finance Committee

S Smith
Clerk to the Council