

HAWKLEY PARISH COUNCIL STATEMENT OF INTERNAL CONTROL FOR YEAR ENDING MARCH 31ST 2021

(Reviewed by the Audit Review Committee)

Hawkley Parish Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and for ensuring that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The internal audit is a part of this process.

Parish Councillors Geoff Brighton, Susan Sinclair and Charlie Butcher ('the committee') have discussed this report for presentation to the Parish Council, with support from the Clerk to the Parish Council, Sue Harwood and with input from the Chairman David Caukill.

It is recognised that the Council is responsible for monitoring the effectiveness of the internal audit. This report takes into account the size of the Parish Council precept, and the requirements of its internal audit. It is believed that this report provides assurance that the expected standards are being met and that the work of the internal audit is effective.

ALL REGULAR MEETINGS IDENTIFIED IN THIS DOCUMENT AS TAKING PLACE DURING THIS YEAR HAVE NECESSARILY TAKEN PLACE USING THE ZOOM PLATFORM. ARRANGEMENTS WILL BE MADE WHEN POSSIBLE FOR THE CHAIRMAN TO PHYSICALLY SIGN ALL DOCUMENTS MINUTED AS APPROVED.

While this report has been produced towards the end of the year, it is recognized that this process is an ongoing one. Reviews of its internal controls, systems and procedures are carried out. Reviewers have at all times access to all relevant documents to facilitate this. This includes but is not limited to the following documents:

The Minute Book

This is kept up to date. Approval of the minutes takes place as an agenda item at every meeting, the minutes being those of the previous meeting. Draft minutes are circulated to all Councillors after every meeting. Minutes reflect meetings accurately, are clear and are without errors.

Accounts Presentation

These are fully transparent with reports are presented at every Parish Council meeting to be approved by the Council and then signed by the Chairman.

Standing Orders

These are up to date, and take into account the latest relevant legislation.

Financial Regulations

These are up to date and meet the requirements of the risk assessment, which was also carried out as part of this review (see below).

Fixed Asset Register

This is kept complete and up to date.

Insurance Schedule

This is up to date and the cover it provides is sufficient to cover the assets belonging to the Parish Council and it also meets the requirements of the risk assessment.

Internal Control Environment

The Council strives for the continuous improvement of the system it has adopted for internal control. As a result, strong financial management processes are in place.

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring, with guidance from the Clerk, 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 Clerk and the Chairman meet once a quarter (the "Quarterly Finance Meeting") in order for the Chairman to verify the bank statements and closely check the accounts kept by the Clerk. Additionally, all Parish Councillors have access to this same information.

The Chairman and the Clerk meet as regularly as is necessary to review all matters pertaining to the Council.

Data Protection

The Chairman and Data Protection Officer have conducted a risk assessment and developed an action plan and Privacy Policy. These have been approved by the Council. Progress against the action plan is monitored. Data is backed up offsite and is accessible by the Clerk, the DPO and the Chairman.

Role of the 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 Clerk is the Council's Responsible Financial Officer and 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:

All payments are made by cheque or by online payment. The Clerk makes all payments. All cheques/ online payments require two Councillors' signatures and all cheque stubs are initialled by same. All payments are reported to the Council for

approval and minuted. The Chairman checks bank statements at the Quarterly Finance Meetings.

Precept:

The Council approves the budget for the following year at its January meeting. At this meeting, the Council approves the level of the precept for the following financial year, identifying major objectives for the coming year as part of that process.

Internal Audit:

The Council hires an internal auditor, currently Mrs Eleanor Greene. Mrs Greene is a professional auditor with many years of accounting experience and with a focus on Parish and Town Councils. She is well placed to advise the Council on the adequacy of all its procedures. Her report is presented to the Council. Any issues raised are considered and appropriate action taken.

External Audit:

The Council's External Auditors, PKF Littlejohn, are appointed by Smaller Authorities Audit Appointments Ltd, until 2021/22. The clerk submits all necessary documentation in accordance with the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities. Any issues raised will be acted upon.

The Council has assessed the risks the Parish Council faces. These cannot be avoided altogether but the Council has taken steps to mitigate them as far as practicable. The list is not exhaustive and the committee did not detail all those risks that it considers to be adequately managed through the appointment of a Clerk whom it considers to be very competent and through the application of the Parish Council's regime of internal control detailed earlier in this report. The principal risks have been considered in an appendix to this report.

**Appendix A
Scope of the Internal Auditor**

**Appendix B
Risk Analysis**

This report was discussed and approved at a meeting of Hawkley Parish Council which took place this day, November 18th 2020

Clerk & RFO