

BISHOPSTOKE PARISH COUNCIL

STATEMENT OF INTERNAL CONTROL

FOR YEAR ENDING 31 MARCH 2026

I SCOPE OF RESPONSIBILITY

Bishopstoke Parish Council forms the first tier of local government and 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, Bishopstoke Parish Council (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 system of internal control was in place at the Council for the year ended 31 March 2026 and accords with proper practice.

3 THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council has appointed a Chair who is responsible for the smooth running of meetings.

The Council reviews its obligations and objectives and drafts expenditure budgets for the following year at its October and December Finance meetings, and also in the November Full Council meeting. The Full Council meeting in January approves both the expenditure budget and the level of precept for the following financial year.

The Council appoints a Finance Committee of five to seven Members who meet six times a year. Members of the committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Finance Committee are reported to the Full Council with recommendations for decision and resolutions to note.

The Full Council meets seven times each year. It monitors progress by receiving relevant reports from the Finance Committee, the Parish Clerk and RFO.

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

Staff responsibilities:

The Council has appointed a Clerk & RFO to the Council who acts as the Council's legal advisor and administrator and has responsibility for administering the Council's finances. Additional responsibilities are: advising on the day-to-day compliance with laws and regulations that the Council is subject to for managing risks; providing advice to help the Council ensure that its procedures, control systems and policies are adhered to and ensuring that the Council remains compliant with all relevant financial legislation.

Payments:

All payments are reported to the Council for approval. Two authorised signatories, one of whom is to be a Councillor, are required to authorise each cheque to limit the risk of fraud. Other payments are made by internet banking and are subject to approval and independent check. The Council utilises Debit cards for staff expenses which are monitored by the Clerk & RFO and reported each month to the Finance Committee.

Risk Assessments/Risk Management:

The Council carries out periodic risk assessments in respect of actions and regularly reviews its system 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 reported to and reviewed annually by 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 Finance Committee;
- the Clerk to the Council / Responsible Finance 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 and issue an annual audit report;
- the number of significant issues raised during the year.

5 SIGNIFICANT INTERNAL CONTROL ISSUES

No issues of significant concern were raised during the financial year 2025/26.

Adopted by Bishopstoke Parish Council on 10th March 2026

Minute reference: FULL_2526_M06/80.1