



Statement of Internal Controls

May 2026

1 Introduction

Headbourne Worthy Parish 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 as well as being 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 Council's functions and which includes arrangements for the management of risk.

2 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:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically.

3 The Council's Internal Controls

- Responsibility
HWPC reviews annually its Financial Regulations, its Financial Risk Assessment and its internal controls, systems and procedures.
- Budgets and Precepts
HWPC reviews its obligations, objectives and projects before determining the level of budget and precept for the following financial year. All Councillors are invited to join a budget Working Group which reviews the draft budget prepared by the Clerk before it is presented to the full Council at the November meeting. At the January meeting the Council is again asked to review the budget before final sign off and the precept request being sent to WCC.
- Management of Financial Records
HWPC employs a Parish Clerk who acts as the Responsible Financial Officer where specified in law. The Parish Clerk is responsible for advising the Council, processing payments and preparing financial records.

The Clerk is responsible for managing Scribe, HWPC's chosen accounts program, which is used to record payments, manage budgets, generate reports, reconcile accounts, complete the end of year audit papers and to submit VAT returns to HMRC.

Invoices are required, as far as possible, for all payments.

- Payments
Payments, which have been agreed in the budget, are input into Scribe and paid monthly. The payments listing is presented at the next HWPC meeting. Payments which have not been budgeted for will be agreed before payment by either the Council, the HW Committee or the KB Committee. Any emergency payments will be made in accordance with the Council's Financial Regulations.

Payments are made by BACS from HWPC's bank, Unity Trust. Payments are first set up by the Parish Clerk then authorised by two Councillors. A payment list and any reason for the payment (including minute reference – if available) will be provided to the authorisers.

The Clerk is issued with a Lloyds Multipay credit card for purchases where suppliers are unable to issue an invoice. Payments using the card may only be made in accordance with the Council's Financial Regulations. The daily limits of £2000 and total credit limit of £4000.

HWPC does not accept cash. No cash is stored and no member of staff is expected to handle or transport cash.

- Bank Reconciliations

The Clerk carries out bank reconciliations on all accounts before presenting to the Council at the next meeting. A councillor will countersign these statements at each meeting and these which will be retained and recorded in the minutes.

- The Council as an Employer

HWPC is registered with HMRC and uses the HMRC Payroll system to calculate payments. Monthly salary payments are included on the monthly Payments Listing and payments processed by BACS. The amount required to be paid to HMRC is provided by this software.

Staff may reclaim any purchases made on the Council's behalf.

Staff and Councillors may claim reasonable and justifiable expenses incurred in line carrying out the Council business. This includes all necessary travel.

For cars - 45p per mile up to 10,000 mile.

- Management of Risk

HWPC has a Financial Risk Assessment which is reviewed and agreed by full Council each year.

HWPC's insurance cover is provided by Hiscox insurance and is reviewed annually to ensure adequate cover.

HWPC appoints an independent Internal Auditor Do The Numbers, who reports to the Council on the adequacy of its: financial records, procedures, systems, internal control and management of risk. This appointment is reviewed and agreed annually.

HWPC is subject to an annual, external, Intermediate Audit Review which is undertaken by the Council's External Auditors, BDO Ltd.