



Kessingland Parish Council

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2025

1. SCOPE OF RESPONSIBILITY

Kessingland 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, and used economically, efficiently and effectively.

The council is 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 on-going 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.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

The council reviews its obligations and objectives and usually approves budgets for the following year at its November/December meeting. The January meeting of the council usually approves the level of precept for the following financial year.

The council has appointed a Finance & Governance Committee which has delegated powers to deal with financial and governance matters which are legally allowed to be delegated to it and are outlined in the Standing Orders, Financial Regulations and Terms of Reference of the committee however the main financial controls are overseen by the Parish Council meeting. Councillors monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters which are minuted and circulated to all members of the council. A councillor responsible for bank reconciliation checks has been appointed.

The parish council meets at least 11 times each year and monitors progress against its aims and objectives at each meeting by receiving minutes from the Finance & Governance Committee as well as reports from the Parish Clerk/Responsible Financial Officer.

The council carries out reviews of its internal controls, systems and procedures. **See attached Appendix 1.**

Clerk to the Council/Responsible Finance Officer:

The council has appointed a Clerk to the Council who acts as the council's advisor, administrator and Responsible Financial Officer (RFO). The Clerk is responsible for advising on the day to day compliance with laws and regulations that the council is subject to and for managing risks. The Clerk also provides advice to help the council ensure that its procedures, control systems and policies are adhered to. As RFO, the Clerk is responsible for administering the council's finances and takes particular responsibility in relation to advising on financial matters, including compliance.

Payments:

All payments are reported to the council for approval. Any delegations are only as authorised by s.101 of the Local Government Act 1972 and the council's financial regulations and as authorised by full council and any payments made under delegation are reported to the council.

Two members of the council must sign every cheque or order for payment. The signatories should consider each payment against the relevant invoice, sign the invoice and initial the cheque counterfoil or relevant online banking paperwork. All authorised cheque signatories are members of the council. No officer of the council can sign cheques. All payments should align with the council's financial regulations unless authorised by full council.

Income:

All income is received and banked in the council's name in a timely manner and reported to the council.

Risk Assessments/Risk Management:

The council reviews its risk assessment annually, usually prior to the AGM in May, and regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent and competent internal auditor who reports to the council once a year at year end, on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations

- Risk management

External Audit:

The council’s external auditors 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 and will also review the effectiveness of internal audit. The results of that review will be considered by the council, which will also approve the related Statement on Internal Control.

S James

Chair

S Hogg

Acting RFO/Clerk

Approved and adopted by Kessingland Parish Council

Meeting date: 12/03/25

Kessingland Parish Council
INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2025

Appendix 1

The Accounts & Audit (England) Regulations 2015 aim to strengthen governance and accountability through requirements related to internal control and internal audit.

Regulation 3 states: “A relevant authority must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.

Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct each financial year a review of the effectiveness of the system of internal control.

Proper Practice – setting the framework for our internal controls.

The publication *Governance and Accountability for Smaller Authorities in England*, March 2019 provides the Proper Practices with which Kessingland Parish Council is required to comply.

Internal Audit – examining our internal controls.

The Parish Council appoints an internal auditor to examine its financial procedures and internal controls at the end of the financial year and annually reviews the effectiveness of the internal audit (independence, competence, proportionality and scope). The purpose of internal audit is to review and report to the Council on whether its systems of financial and other internal controls over its activities and operating procedures are effective. The annual internal audit report focuses on internal control objectives covering the key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet our needs.

External Audit – examining our internal controls.

Kessingland Parish Council intends to be able to confirm in its governance statements in the Annual Governance and Accountability Return that it has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. To achieve this, it needs to ensure the following internal controls are in place and effective:

- 1) Suitable Standing Orders and Financial Regulations.
- 2) Safe and efficient arrangements to safeguard public money, including through the proper administration of our financial affairs, appointing one of our officers (the

Responsible Financial Officer – RFO) to have formal responsibility for those affairs, appropriate authorisations of payments, bank account and bank mandate approvals, signatory and credit cards controls, risk assessment, and training for those with direct responsibility for money.

- 3) Compliant employment practice and suitably controlled payroll.
- 4) Robust VAT practices.
- 5) Properly maintained and efficiently managed fixed assets and equipment with appropriate procedures for any asset disposal and capital receipts.
- 6) Affordable and appropriate loans, if any, and long-term liabilities.
- 7) Reviewed and effective system of internal control.

As part of its internal control, the Parish Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis, with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	PROCESS	DATE TEST DONE	INITIALS
Assets			
Ensuring an up-to-date Register of Assets	The Register of Assets has recently been amended as this has not be kept up to date. of basis Moving forward when new assets are gained or disposed this will be updated ASAP.		
Regular maintenance arrangement for physical assets	An annual maintenance schedule will be devised for the Maintenance Supervisor. Play equipment is checked monthly by East Suffolk Services		
Risk Management			
Annual review of risk and the adequacy of insurance cover	The council reviewed its insurance cover at the AGM and the insurance levels are reviewed by the Clerk and Chair of F&G at the renewal date		
Annual review of financial risk	The Fidelity insurance is checked annually.		
Standing Orders and Financial Regs			
Awareness of Standing Orders and Financial Regulations	All councillors and office staff are aware of the Standing Orders and Financial Regs and are provided with copies.		
Adoption of Financial & Standing Orders	The Standing Orders and Financial Regs are adopted annually at AGM		
Contracts			
Regular reporting on performance by Contractors	East Suffolk Services and Red Dune are the only contractors and their work is checked regularly.		
Annual review of contracts (where appropriate)	The services provided by the contractors have been checked during		

	the year and costs are checked and reviewed regularly.		
Safeguarding payments & receipts			
Regular bank reconciliation, independently reviewed.	Bank reconciliations are carried out monthly. The reconciliation and bank statement is signed by Chair of finance.		
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	All payments are made to invoice. Unless there is delegated authority all expenditure is approved prior to spend, on major expenditure quotes are sought and approved by the relevant committee (up to Parish Council level is they are over £5,000). Payments are notified and approved by F&G and then authorised by Chair of F & G who check against the invoices.		
Recording in the minutes/appendices the precise powers under which expenditure is being approved.	Council has not got the General Power of Competence but the Acting Clerk hopes to have this in place by the end of the year, she doesn't record the power for each expenditure.		
Payments supported by invoices, authorised and minuted	All payments are supported by invoices or expenses forms for mileage. These are verified by the clerk and the two bank signatories and payments also go to F&G for approval and are included in the minutes.		
Regular scrutiny of income records to ensure income is correctly received, recorded and banked.	Income is reported to F&G each month.		
Scrutiny to ensure precept recorded in the cashbook agrees to Billing Authority Notification.	The precept was approved by Parish Council and receipt of precept payments are notified and minuted by F&G. Notification from East Suffolk is attached to the control sheet and verified against Scribe.		
Employment			
Contracts of employment for staff.	All Staff have contracts of employment.		
Contract annually reviewed	Appraisals are carried out each September and the contracts are discussed at the appraisal and both are reported back to the Personnel Committee along with any recommendations. Contracts are also monitored for any changes in the law.		

Updating records to record changes in relevant legislation.	As above.		
PAYE/NIC properly operated by the Council as an employer	Our payroll is managed by SALC.		
VAT			
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook.	VAT is noted on Scribe who provides the VAT 126 claim form which is submitted to HMRC		
Budget and Monitoring			
Regular financial reporting to Parish Council.	An RFO report is presented at each F & G meeting.		
Regular budget monitoring statements as reported to Parish Council.	The Acting Clerk aims to present Budget reports at each F & G meeting.		
Transparency			
Compliance with 2014 Regulations: Officer Decision Reports.	This has not been an issue as almost all decisions are made by the council. On a rare occasion that an officer decision is required then it is generally done in conjunction with the relevant chair reported to the next relevant meeting.		
Compliance with Local Government Transparency Code 2015: Items of expenditure incurred over £500.	A specific page is being created on the website for this purpose and expenditure is recorded in all F&G minutes.		
Minutes properly numbered and paginated with a master copy kept in for safekeeping.	Minutes are now successively numbered for a council year and master copies are kept both electronically and in a paper version.		
Ethical conduct			
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality.	The council has procedures for reporting gifts over £25 in value and councillors are reminded to update the register of interests. The last time they were reminded was at the AGM on the 8 th May 2024.		
Adoption of Codes of Conduct for Members.	The Code of Conduct was re-adopted at the AGM on the 8 th May 2024.		
Declaration of Acceptance of Office	All councillors have completed their declarations of office and these have been supplied to East Suffolk Council. A copy is kept on file by the council.		

Review of system of Internal Controls carried out by:

Cllr C Cook on 10th March 2025.

A signed copy of this document is held at the Parish Office.