

THORNDON PARISH COUNCIL

STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31 MARCH 2026

SCOPE OF RESPONSIBILITY

Thorndon Parish Council is a local authority funded largely by public money, 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, Thorndon 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.

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

The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its January meeting. The meeting of the Council in January the level of precept for the following financial year is approved.

The full Council meets monthly (except August). Councillors receive and review updates on Council business at these meetings. To enable progress against its aims and objectives, at each meeting, the Council receives relevant reports from the Clerk or Councillors with specific responsibilities. A budget is set for the following year ahead of the precept meeting in January, and reviewed, if necessary, after the year end figures have been produced. There are currently no committees with delegated authority to incur expenditure, in accordance with the Financial Regulations the Clerk has authority to incur budgeted expenditure up to £500 in consultation with the Chair.

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 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.

Risk Assessments / Risk Management

The Parish Council undertakes regular risk assessment reviews and takes the necessary action arising out of these assessments. The Council carries out regular reviews of its internal controls, systems and procedures.

Internal Audit

The Council has appointed an Independent internal auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The Internal Audit reported issues related to staff salaries – this has been reviewed and rectified by the Council.

The effectiveness of the internal audit is reviewed annually by the Council.

External Audit

The Clerk, as RFO, prepares the AGAR to be reviewed and approved by the Council. Once approved this is submitted to the external auditor. There no audit points noted by the external auditor at last year's audit with would need to be addressed during the current year.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The Council must review and approve the Statement on Internal Control.

(Chairman)

(Clerk)

Approved and adopted by Thorndon Parish Council on 14th May 2026

STATEMENT OF INTERNAL CONTROL

CASH BOOK/BANK RECONCILIATIONS	<p>The cash book is kept electronically in spreadsheet format, and kept up to date from original documents – receipts, invoices, payments.</p> <p>The cash book is reconciled to the bank statement.</p> <p>The expenditure approved at meetings in the year is recorded via the minutes.</p> <p>All Payments and Receipts are recorded in the minutes approved by Councillors.</p> <p>All payments and receipts are cross referenced to a bank statement.</p> <p>Bank statements are available for review at each Parish Council meeting.</p>
FINANCIAL REGULATIONS	<p>The Parish Council has adopted Financial Regulations based on the NALC model. The regulations are reviewed for continued relevance and amended where necessary and approved by the Parish Council.</p>
ORDER/TENDER CONTROL	<p>Financial Regulations refer to procedures relating to tenders.</p>
LEGAL POWER	<p>The legal power for expenditure is recorded in the spreadsheet of accounts.</p>
PAYMENT CONTROLS	<p>Payments are reported to the council for approval via the agenda.</p> <p>Two members of the council must sign every payment invoice.</p> <p>The signatories should consider each payment against the relevant invoice, initial the invoice and the cheque counterfoil (if used).</p> <p>Two signatures are required for each cheque.</p> <p>The Clerk maintains control of the cheque book at all times. Cheques will only be issued and signed for payments approved in Council meetings.</p> <p>For BACs payments, 3 members of the Council and the Clerk/RFO are authorised to access the online payment system. Online payments are set up by the RFO, and authorised by a Councillor following the approval of invoices by 2 Councillors.</p> <p>Payments are approved at Council meeting and listed in the minutes of the relevant meeting.</p> <p>All bank statements are reconciled to the cheque book with all PV/Statement numbers being noted on the PV and cheque stub respectively.</p> <p>Occasionally, emergency/exceptional/contractual payments are required outside of Parish Council meetings; this can be as a result of a monthly meeting not taking place, or a payment falling due prior to the next scheduled meeting.</p> <p>All payments must be for works previously authorised by the Parish Council or in accordance with Financial Regulation 6.7. Where an exceptional/emergency payment is required that is not budgeted or previously approved at a Council Meeting and does not comply with regulation 6.7, the invoice will be authorised by 2 Councillors before payment is made. All emergency/exceptional/contractual payments will be noted at the council meeting following payment.</p>
PAYMENT CARD	<p>The Clerk operates the Council's payment card. Single transaction limit is £250 with a monthly limit of £1000. All purchases are reported to the next full Council meeting and recorded in the minutes.</p>
RECEIPTS	<p>All receipts are noted in the cash book.</p> <p>Receipts are noted at Council meetings and recorded in the minutes.</p>
PAYMENTS MADE UNDER SECTION 137 of the LGA 1972	<p>A record of payments made under s.137 is kept in the accounting spreadsheet.</p> <p>The Parish Council has a Grant Awarding Policy and all requests for grants must be made via the Grant Awarding application form.</p> <p>Donations are approved by the Parish Council and recorded in the minutes.</p>
VAT RECLAIMS	<p>The Clerk ensures that all invoices are addressed to the Parish Council.</p> <p>The Clerk maintains a VAT account and ensures that the correct amount of VAT is reclaimed in the year.</p>

INCOME CONTROLS	<p>All income is received and banked in the council's name in a timely manner and reported to the council.</p> <p>The Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to the District Council. The Clerk ensures that the precept instalments are received when due.</p>
FINANCIAL REPORTING	<p>A budget control, comparing actual receipts and payments to the budget, is prepared for review by the Parish Council and recorded in the relevant minutes.</p>
BUDGETARY CONTROLS	<p>The budget is prepared in draft by the Clerk and presented for approval to the full Council, as evidenced by reports and minutes in advance of the start of the financial year.</p> <p>The Precept request is submitted by the deadline dictated by the District Council.</p>
PAYROLL CONTROLS	<p>The Clerk is paid under PAYE as an employee of the Council and payroll is outsourced to SALC who submit the necessary information to HMRC, all necessary payments are made to HMRC.</p> <p>The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary.</p>
OFFICE ALLOWANCES AND CLERK'S EXPENSES	<p>The Clerk submits a request for reimbursement of any other expenses owing by way of an expense sheet when there are any to be claimed. The expenses include travel expenses as laid down by the joint SLCC/NALC guidelines. The expense sheet is treated as an invoice for accounting purposes.</p>
ASSET CONTROL	<p>The Clerk maintains a full asset register.</p> <p>The existence and conditions of assets is checked on annual basis by the Parish Council.</p> <p>The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.</p>
INTERNAL AUDIT	<p>The council annually appoints an independent internal auditor who provides a full report to the council on Records, Procedures, Systems, Internal control, Regulations, Risk management. The internal auditor will have planned and carried out the work necessary to give the assurances called for in the Local Councils Annual Return. The Parish Council annually reviews the scope of work offered by the internal auditor.</p>
EXTERNAL AUDIT	<p>The Council submits an annual return to the external auditor appointed by the Audit Commission in a timely manner.</p>
CASH BOOK/BANK RECONCILIATIONS	<p>The cash book is kept electronically in spreadsheet format, and kept up to date from original documents – receipts, invoices, payments.</p> <p>The cash book is reconciled to the bank.</p> <p>The expenditure approved at meetings in the year is recorded via the minutes, usually via a finance schedule.</p> <p>All Payments and Receipts are recorded in the minutes approved by Councillors.</p> <p>All payments and receipts are cross referenced to a bank statement.</p> <p>Bank statements are made available for review at each Parish Council meeting.</p>