

TOSTOCK PARISH COUNCIL

INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Scope and Responsibility

Tostock Parish Council, a small authority representing the first tier of local government, is funded by public money.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of their systems of internal control and to prepare an annual governance statement in accordance with proper practices in relation to accounts.

The purpose of the statement is to enable the local authority to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations, prevailing standards and proper practices; and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In seeking to meet this responsibility assurance is required that there is a sound system of internal control which:

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

Purpose of the System of Internal Control

Internal control is designed to reduce financial risk to the Council and to ensure that Council activities are carried out properly and as intended.

The system of internal control is further designed to ensure that risks are managed to a reasonable and acceptable 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 focused on identifying and prioritising risks to the achievement of policies, objectives and aims, evaluating the likelihood of those risks occurring, their impact should they materialise, and managing them efficiently, effectively and economically.

Internal Control Environment

The Council: The Council elects a Chair (and Vice-Chair, if required) each year to be responsible for the smooth running of meetings and for ensuring, with advice from the Clerk as needed that all decisions are taken lawfully. Once approved as a true and correct record, the Chair of each meeting signs each page of the minutes of the previous meeting.

The Council has a Finance Working Group which meets in December to review the state of the finances and to recommend the precept to the Council meeting the following month when the Council reviews its obligations and aims, and in seeking to achieve those, approves the draft budget and precept for the forthcoming year.

TOSTOCK PARISH COUNCIL

INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

The Group may also meet further, not least in April, to review matters (precept confirmation and any updated information on income and expenditure etc.) ahead of the budget being finalised and confirmed at the Annual Council Meeting.

A Finance Councillor is responsible for bank reconciliation checks and facilitates an overview of financial matters on an on-going basis, reporting to the Council as and when necessary.

The full Council meets at least six times per year and monitors progress against its aims and objectives at each meeting by receiving relevant reports, particularly from the Clerk.

The Council carries out an annual assessment of its internal controls, systems and procedures, with a review undertaken mid-year.

Clerk to the Council/Responsible Finance Officer: The Council has appointed a Clerk who acts as advisor to and administrator for the Council. The Clerk is the Responsible Financial Officer and, thereby, is accountable for administering Council finances. The Clerk is also the Data Protection Officer.

The Clerk is responsible for advising the Council on and enabling compliance with its statutory and regulatory obligations and for managing any associated risks. Further, the post-holder is responsible for ensuring adherence to Council procedures, control systems and policies. The duties and responsibilities of the Clerk are set out in a job description - reviewed annually to ensure it remains relevant and accurate.

Payments and Payroll Controls: All payments are reported to the Council for approval. Four councillors are authorised signatories to the Council bank accounts with any two members required to sign all cheques and/or orders for payment. Necessarily, the signatories consider each payment against the relevant invoice and, assuming no problems, sign said invoice and initial the relevant cheque counterfoil. The Clerk, quite properly, is unable to sign cheques, but may effect bank transfers for any payments authorised in advance by the Council.

Bank reconciliations are presented both at meetings and sent to councillors for those months between meetings to ensure members are kept up to date with the overall state of Council finances.

The Clerk, the sole Council employee, has a contract of employment with clear terms and conditions. The salary, reviewed annually, is approved by the Council and linked directly to the current National Joint Council for Local Government Services pay scales.

PAYE is properly operated by the Council as an employer, using 'Basic PAYE Tools' (HMRC software) to enable timely submissions and payments in 'real time' to HMRC. VAT payments are identified and recorded, with VAT reclaimed annually at the start of each financial year.

The Council does not operate petty cash; neither does it have a credit card.

TOSTOCK PARISH COUNCIL

INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Income: All income is banked in a timely manner and duly reported to the Council. Increasingly, income is effected by bank transfer.

Internal Audit: The Council appoints an independent and competent internal auditor who reports to the Council on an annual basis on the adequacy of its:

- ◆ records;
- ◆ procedures;
- ◆ systems;
- ◆ internal controls;
- ◆ statutory and regulatory compliance;
- ◆ risk management;
- ◆ budgetary and payment controls; and
- ◆ asset management.

The internal auditor report, detailing any and all findings, is provided to all councillors and considered by the Council at its next available meeting. Accepted recommendations will be properly recorded in the minutes and form an audit plan which seeks to manage any identified weaknesses and/or initiate improvements required.

External Audit: External auditors for the Council (unless an exemption applies) submit an annual certificate of audit, which is presented to the Council together with any issues arising. Residents and others are given the opportunity to inspect Council documents including the unaudited Annual Governance & Accountability Return (AGAR).

Council Policies and Procedures: Those adopted by the Council are key to its business, functions and responsibilities, are reviewed at least annually and published on Council pages on the village website. The Clerk will advise on any new policies that may be required and ensure any updates needed are brought to the attention of councillors through being presented to Council meetings for approval.

Standing Orders: The Council has adopted the Model Standing Orders produced and published by the National Association of Local Councils. These are reviewed at least annually to ensure they are kept up to date.

Financial Regulations: The Council has adopted the Model Financial Regulations produced and published by the National Association of Local Councils. These are reviewed at least annually to ensure they are kept up to date.

Asset Register: The Council maintains a register of all material assets owned (or in its care). The Clerk will update as and when necessary and the Register is reviewed and approved annually after a physical inspection of the assets by councillors.

Insurance: Council insurance provision is reviewed at the end of each contract period both in relation to the schedule of cover, adequacy and value for money.

Risk Assessments/Management: The Council reviews its risk assessment annually, and regularly reviews its systems and controls. An informed and comprehensive Risk Register is maintained which, in the light of Council decisions, is

TOSTOCK PARISH COUNCIL
INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

updated regularly to ensure it is current as far as reasonably possible. Specific risk assessments are in place for certain matters, such as finances and data protection.

Information Management: The Council is compliant with key legislation, particularly that concerning data protection and freedom of information, and keeps its compliance and associated processes up to date and under constant review.

Openness: The Council is committed to local democracy, engagement with residents and promoting transparency, as well as the proactive publication of information. Accordingly, it seeks to not only comply with the "Transparency Code for Smaller Authorities" but also to make much more information available, particularly through Council pages on the village website and freely upon request.

Code of Conduct: Each member of the Council adheres to the approved Code of Conduct and completes his/her entry in the Register of Interests (held on the Mid Suffolk District Council website), as required. Members must consider every item on the agenda for meetings and ensure that any interest is declared at the beginning of the meeting or before the matter is discussed. An item 'Declarations of Interest and Dispensations' is a standing item on every Council agenda.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of its system of internal control, which includes a review of the effectiveness of internal audit. The results of that review are considered by the Council, which also approves the Statement of Internal Control.

Chair

Clerk/Responsible Financial Officer

Approved and adopted by Tostock Parish Council

Meeting Date:

Minute Reference:

TOSTOCK PARISH COUNCIL
INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Internal Control Report

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit. Whilst the Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it is required to ensure that its financial management is adequate and effective and that it has a sound system of internal control:

"The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based, i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control; care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO's [Responsible Financial Officer's] day to day management of financial affairs."

As part of its internal control, the Council has appointed a non-signatory councillor to conduct a review of the system of internal control via the following tests on an annual basis, with a written report of the findings submitted to the Council and duly minuted as received together with any action agreed.

CONTROL TEST	TEST DONE?	COMMENTS
	Yes/No	
Asset/Risk Management and Insurance		
Ensuring an up to date Register of Assets with costs recorded accurately	Yes	The updated Register was confirmed at the Council Meeting of 13 January 2026.
Ensuring an up to date Risk Register with risks checked after each Council meeting and assessed at least annually	Yes	The updated Risk Register was reviewed and approved at the Council Meeting of 13 January 2026.
Arrangement for the physical review of assets to identify any risks, health and safety issues and need for repair or replacement	Yes	Physical inspections routinely carried out by councillors with any matters requiring attention reported to the next Council meeting.
Assets properly acquired and disposed of through Council meetings	Yes	
Annual review of financial risk	Yes	Conducted as part of the overall review of risks - approved at the Annual Council Meeting of 13 January 2026.
Public Liability cover in place and adequate	Yes	
Employee Liability cover in place and adequate	Yes	
General insurance cover sufficient, appropriate and adequate - reviewed annually	Yes	Reviewed and revised - new policies confirmed at the Council meeting of 11 November 2025.
Governance		
Standing Orders - current/reviewed/approved	Yes	Updated and approved at the Council meeting of 10 June 2025.
Financial Regulations - current/reviewed/approved	Yes	New Model Financial Regulations approved 16 July 2024 and confirmed at the Council meeting of 11 March 2025.

TOSTOCK PARISH COUNCIL
INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Policies and procedures relevant to the Council in place, current and reviewed	Yes	Reviewed and confirmed at the Council meeting of 11 March 2025.
Regular reporting on performance by contractors, service providers and suppliers	Yes	
Annual review of contracts (where appropriate)	-	Not applicable currently as no contracts in place.
Budget		
Budget reviewed annually and projected budget determined ahead of setting precept	Yes	
Budget discussed and adopted by the Council	Yes	
Any earmarked reserves identified	Yes	Community Infrastructure Levy funding plan agreed by the Council 12 March 2024 and remains in place.
General reserve confirmed in line with recommended best practice	Yes	General reserve confirmed when precept and annual budget set.
Precept demand minuted correctly and verified by Mid Suffolk District Council	Yes	
Year End Procedures		
Year end accounts prepared as required with final bank reconciliation and budget variances identified	Yes	2024-2025 completed and published.
Proper financial trail from accounts to documented records, cheque book and statements	Yes	Also confirmed by the internal auditor.
Annual Governance and Accountability Return (AGAR) completed, agreed, minuted and signed	Yes	2024-2025 completed and published as required.
Items of expenditure over £100 published	Yes	
Financial Responsibility/Monitoring		
Responsible Financial Officer (RFO) appointed	Yes	Clerk is the RFO.
Bank reconciliation completed regularly and independently reviewed against statements	Yes	Reconciliation presented to each Council meeting and circulated to councillors for each month when no meeting is held.
Regular financial reporting to the Council	Yes	Monthly as a matter of routine with any issues/ updates reported to councillors as they arise.
Regular budget monitoring statements reported to Council with significant variances identified	Yes	
Section 137 bids and expenditure minuted and recorded properly	-	There was no Section 137 expenditure in 2025-2026.
Regular scrutiny of financial records - checked for accuracy and maintained up to date	Yes	
Bank signatories sufficient and operative	Yes	Four signatories in place with any two needed to sign cheques. Some payments authorised in advance for 2025-2026 to provide for the use of electronic bank transfers by the Clerk.
Orders raised, as necessary, for expenditure	Yes	
Invoices generated, as appropriate, for income due to the Council	Yes	Invoices issued to those advertising in the "Tostock Chronicle".
Payments supported by invoices which are duly authorised, signed and minuted	Yes	

TOSTOCK PARISH COUNCIL
INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Regular scrutiny of records to ensure income is correctly received, recorded and banked	Yes	
Scrutiny to ensure precept recorded in accounts consistent with District Council notification	Yes	
Audits		
Internal auditor in place and internal audit completed and reviewed	-	Internal audit completed for 2024-2025 and in place for 2025-2026. Audit report to be considered and actioned by the Council when completed.
Issues from previous audits addressed effectively	Yes	Audit recommendations reviewed and all recommendations implemented.
Evidence of audits and public right to inspection published and advertised as required	Yes	
Internal audit report published as part of the Annual Governance and Accountability Return (AGAR)	Yes	2024-2025 audit report published as required.
Clerk (only member of staff)		
Contract issued and reviewed as necessary	Yes	Contract issued - effective from 1 October 2023.
PAYE/NI operated properly with approved tax code in place	Yes	
PAYE submissions to HMRC made in 'Real Time' (using 'Basic PAYE Tools')	Yes	
Approved salary reviewed annually	-	Clerk appointed 1 October 2023. Salary updated consistent with 2025-2026 national pay scales.
Registration with The Pensions Regulator current and completed	Yes	
Expenses evidenced and paid correctly	Yes	Administrative expenses correctly itemised, evidenced and paid.
VAT		
VAT correctly accounted for; VAT payments identified and recorded	Yes	VAT identified separately and properly within the accounts.
VAT reclaimed from HMRC	Yes	VAT reclaimed annually. 2024-2025 amount reclaimed successfully.
Openness		
Compliance with 'Transparency Code for Smaller Authorities'	Yes	The Council is fully compliant.
Council website user-friendly and pages promote openness and transparency	Yes	Information published proactively. More information than ever now published.
Council compliant with data protection and freedom of information legislation	Yes	
Publication Scheme published	Yes	
Privacy Notice published	Yes	
Data and document retention policy in place	Yes	
Electronic data backed-up regularly	Yes	

TOSTOCK PARISH COUNCIL
INTERNAL CONTROL STATEMENT

Adopted 2024-05-14; Reviewed and Updated 2026-03-10

Council Meetings		
Agendas issued with appropriate notice and sufficiently informative to provide for public awareness and Council decision-making	Yes	
Agendas, associated papers and minutes published	Yes	Readily available on the Council website. Routinely published one week in advance as a minimum.
Minutes properly numbered and paginated with signed copies kept for safekeeping	Yes	
Any committees, working parties or working groups properly created with terms of reference	Yes	Just one working group in 2025-2026 to review the budget and to recommend the Council precept for 2026-2027.
Councillors		
Procedures in place for recording and monitoring interests and any gifts and/or hospitality	Yes	Standing agenda item for each meeting requiring declarations. Councillor interests properly recorded in the Register held by Mid Suffolk District Council.
Officers and Council representatives elected to external bodies at Annual Council Meeting	Yes	
Contact details published	Yes	Both in the local newsletter and on the Council pages of the village website.
Code of Conduct adopted	Yes	New Code adopted 12 March 2024.
Declarations of Acceptance of Office completed and signed	Yes	

Date of review of system of Internal Controls:

Review of system of Internal Controls carried out by: Cllr Jane Storey

signature:

Report considered and approved by the Council:

Date/Minute: