

HOLLESLEY PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2026

1. SCOPE OF RESPONSIBILITY

Hollesley 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 approves budgets for the following year at its December meeting. The December meeting of the council approves the level of precept for the following financial year.

All Councillors with banking authorisation have responsibility for bank reconciliation checks.

The full council meets 12 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Parish Clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

Clerk to the Council/Responsible Finance Officer:

The Council has appointed a Clerk who serves as both advisor and administrator. The Clerk also acts as the Responsible Financial Officer and is responsible for managing the Council's finances. The Clerk advises the Council on day-to-day compliance with relevant laws and regulations, oversees risk management, and supports the Council in ensuring that its procedures, control systems, and policies are properly followed.

Payments:

All payments are reported to the Council for approval. Payments made by cheque or online banking are carried out in accordance with the Council's Financial Regulations. All authorised signatories are members of the Council; no officer of the Council is permitted to sign cheques or authorise payments. Where delegated authority is used under Section 101(1)(a) of the Local Government Act 1972 and in line with the Council's Financial Regulations a report detailing those payments will be presented at the next full Council meeting.

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 in March and regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent and competent internal auditor and approves the internal auditor's letter of engagement. The internal auditor reports to the council on an annual basis on the adequacy of it's:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

External Audit:

The council's external auditors submit an annual audit certificate, which is then presented to the Council. This process does not apply to smaller authorities that have declared themselves exempt.

4. REVIEW OF EFFECTIVENESS

The council must carry out a yearly review to check how well its internal controls are working. This should include a look at how effective the internal audit is. The results must be shared with the Council, and the Council should approve the Statement of Internal Control.



Vice-Chairman

RFO/Clerk

Approved and adopted by Hollesley Parish Council

Meeting date: 16th April 2026

HOLLESLEY PARISH COUNCIL

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 Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it 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 day to day management of financial affairs.’

As part of its internal control procedures, the Parish Council has appointed a Councillor who is not an authorised signatory to carry out a review of the internal control system. This review should be done at least once a year or more often, depending on the size of the council using the following checks. A written report of any findings must be submitted to the Council and formally recorded in the minutes.

CONTROL TEST	TEST DONE	COMMENTS check documents and initial
Adoption of Financial Regulations and Standing Orders	Yes	Both adopted May 2025 Page 1011, 14a & b
Ensuring Financial Regulations and Standing Orders are reviewed and kept up to date whenever changes are made to the model documents		SALC updated templates for 2025 used in both instances
Adoption of Codes of Conduct for Members	Yes	Reviewed May 2025 Page 1008, 10
Declaration of Acceptance of Office	Yes	Held by clerk
Procedures in place to record and monitor Members’ Interests and, where applicable, Gifts and Hospitality	Yes	Recorded at each meeting item 3
Council has reviewed the internal audit report and, where applicable, the external audit report, and has addressed any recommendations, comments, or required actions	Yes	Reviewed May 2025 Page 1008, 11b

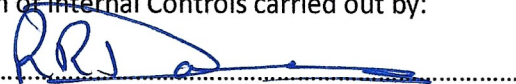
Annual review of council policies and, where applicable, the terms of reference for committees, sub-committees, and working groups	Yes	Recorded in minutes June, July, Nov 25 & Mar 26
Annual review of contracts, as applicable	Yes	Contracts for litter picking, cemetery maintenance and general maintenance reviewed annually
Regular reporting on performance of Contractors (crucial for maintaining accountability, ensuring contract compliance, mitigating risks, and optimising performance)	Yes	Clerk checks all contracts are fulfilled to a good standard
Annual review of risk and the adequacy of Insurance cover	Yes	Insurance reviewed in July ahead of renewal in October
Annual review of all risk assessments, including financial risks	Yes	Recorded in minutes June 25 and March 26
Regular review of financial records and proper procedures for approving expenditure	Yes	All expenditure is agreed at every meeting. Payments are set up by the clerk and authorised by a signatory
Regular bank reconciliation, independently reviewed	Yes	Minuted at each meeting by a councillors who is not a bank signatory
Payments supported by invoices, authorised and minuted	Yes	Invoices passed to the councillor who authorises the payments. All payments minuted
Recording in the minutes or appendices the exact powers under which expenditure is approved and ensuring S137 payments are listed separately	Yes	All payments are approved at every meeting
Regular inspection of income records to ensure income is correctly received, recorded and banked	Yes	Accounts including income are circulated at the end of every month and accepted at the next meeting.
Regular checks to ensure the precept and, where applicable, CIL is recorded in the cash-book matches the District Council's notification	Yes	Accounts including precept and CIL income are circulated at the end of every month and accepted at the next meeting.

Regular financial reporting to the Parish Council, including Receipts & Payments (or Income & Expenditure) and updates on reserves	Yes	Accounts including income and expenditure are circulated at the end of every month and accepted at the next meeting.
Regular budget monitoring statements presented to the Parish Council	Yes	Budget updates are circulated at the end of each month
VAT correctly accounted for: VAT payments identified, recorded and reclaimed in the cash-book and minuted	Yes	VAT is recorded separately in the cash book and reclaimed once the balance exceeds £100
Maintaining an up-to-date Asset Register	Yes	Reviewed annually in June and updated when changes occur throughout the year
Regular maintenance arrangement for physical assets (play areas, street furniture etc)	Yes	Play equipment checked weekly, street furniture annually and at ad hoc times by the clerk
Staffing and Employment compliance: review of the following: <ul style="list-style-type: none"> • Contracts of employment for staff • Annual performance appraisal • Updating records to record changes in relevant legislation • PAYE/NIC properly operated by the Council as an employer • Pension Regulator re-declaration to be completed every three years 	Yes	Contract for the clerk is in place. Annual review done in September Payroll is carried out by SALC in accordance with legislation Redeclaration with the Pensions Regulator done Jan 2026, next due Jan 2029
Compliance with Local Transparency Code in line with your council's turnover: <ul style="list-style-type: none"> • Annual turnover not exceeding £25,000 • Annual Turnover between £25,000 and £200,000 • Annual Turnover over £200,000 (NALC advises that all Councils adhere to the Smaller Authorities Transparency Code as a minimum)	Yes	Annual Accounts, Audit Report including AGAR, Asset Register and Councillor Responsibilities available on the website

Compliance with the DCLG 2014 Guide on Open & Accountable Local Government, Part 4: Ensuring officer decisions are properly documented and made transparent	yes	All decisions recorded in the minutes
Verifying that the Council is compliant with the General Data Protection Regulation (GDPR) requirements and the following are in place: <ul style="list-style-type: none"> Registered with the ICO Audit / Impact Assessment Privacy Notices Procedures for dealing with Subject Access Requests Procedure for dealing with Data breaches Data Retention & Disposal Policies 	yes	ICO membership automatically renews each year. Privacy notices are included in emails No SAR or breaches Data retention policy on website
Minutes are properly numbered and paginated, with a master copy securely filed	yes	Minutes are numbered sequentially, signed by the chair and filed each month
The Council's website complies with WCAG 2.2 AA accessibility standards	yes	Checked in January
Email management: The council has a generic email account hosted on an authority owned domain	yes	All emails including clerk and councillors are .gov.uk domain
IT policy adopted	yes	Adopted July

Date of review of system of Internal Controls30/03/2026.....

Review of system of Internal Controls carried out by: NameCllr. Roger Dawson

Signature 

Report submitted to Council (date)16/04/2026...

(minute reference) 1091 - 6d

Next review of system of Internal Controls dueApril 2027.....

Additional comments by reviewer