

# MOULTON PARISH COUNCIL

## INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2026

This statement was updated in line with the amended SALC template and approved at the meeting on 19<sup>th</sup> January 2026.

### 1. SCOPE OF RESPONSIBILITY

Moulton Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, 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 November meeting. The November meeting of the Council approves the level of precept for the following financial year.

A councillor is appointed to have responsibility for bank reconciliation checks.

The full council meets six times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the 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:**

Almost all payments are made online and cheques are rarely used. Payments made by cheque or online banking are carried out in accordance with the Council's Financial Regulations. The clerk sets up payments and a councillor authorises them online. All payments are reported to the Council for approval. All authorised signatories are members of the Council. The clerk is not allowed to sign cheques or authorise payments except 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 4.2 and 4.5. A report detailing those payments will be presented at the next full Council meeting.

Two members of the Council must check and sign the Schedule of Payments. These councillors consider each payment against the relevant invoice and sign the invoice. If payments are made by cheque, two councillors sign cheques and initial the cheque stub. The clerk is authorised to set up online payments but not to sign cheques, subject to the controls set out in the Parish Council's Financial Regulations.

Regular payments are approved at the January meeting and the clerk is authorised to set up these payments as and when required. A statement of all payments made is presented to the Parish Council at their next full council meeting.

#### **Bank reconciliations**

The Council uses Scribe accounting software which is tailor made for parish councils. The software does not allow payments to be deleted. Bank reconciliations are completed on Scribe every time a bank statement is received. A councillor is appointed to have responsibility for bank reconciliation checks which includes cross referencing payments made against the payment details in the Council's accounts.

#### **Income:**

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

#### **Financial checks at meetings**

The following financial checks are carried out at every meeting:

1. Transactions on bank statements are cross referenced against the Council's account and the closing balance verified.
2. The clerk produces a Schedule of Payments requiring authorisation along with the relevant invoices. The legal power is included in the schedule of payments.
3. The clerk presents a record of receipts and payments made since the last meeting to the Council.
4. If paying by cheque, both signatories check and sign the relevant invoices and cheque counterfoil.
5. When relevant two councillors will sign the hard copy of any changes to bank details of suppliers. Bank details may only be changed on written hard copy notification by the supplier.

#### **Risk Assessments/Risk Management:**

The Council reviews its risk assessment and internal controls annually in March.

#### **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 control
- Regulations
- Risk management

#### **External Audit:**

Should an external audit be required, the Council's external auditors submit an annual certificate of audit which is presented to the Council.

#### **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.