

STALMINE-WITH-STAYNALL PARISH COUNCIL INTERNAL CONTROL STATEMENT FOR

2025/2026

1. SCOPE OF RESPONSIBILITY

Stalmine-with-Staynall 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/January meeting. The January 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 11 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 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.

Payments:

The clerk inputs all payments via the Unity Bank system, and signs an inputting authorising form, details of the payments are on this document and are crossed referenced with all invoices and other documents to reduce any errors. All payments are reported to the council for approval. If any payment is refused by the council, it will be removed by the Clerk from the banking system, and all details documented. Two, members of the council must sign every invoice and document for payment. The signatories should consider each payment against the relevant invoice. The two signatories then log into the banking system and authorise the payments, cross referencing them against an authorising document which is to be signed, this is done to provide another check that all payment details are correct and have been resolved by the Council. All authorised signatories are members of the 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 in March, and regularly reviews its systems and controls.

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**

The appointed auditor is checked for reference to ensure they are qualified and experienced to complete the audit, this is given in writing to the Council. It is resolved and minuted at Council stating details of the internal auditor, and any costings. The internal audit report is given to Council members, and any recommendations are executed and minuted.

External Audit:

The council's external auditors, submit an annual certificate of audit which is presented to the Council, after it has received all documents requested from the Council.

4. 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 results of that review must be considered by the Council, which should also approve the Statement of Internal Control.

Chair sign and date -----

Clerk/RFO sign and date -----

Approved and Adopted by Stalmine-with-Staynall Parish Council

Meeting date 13th May 2025

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.'

INTERNAL CONTROL	SUGGESTED TESTING	YES	NO	PARISH COUNCIL COMMENT
Standing Orders Financial Regulations	The authority needs to have Standing Orders and Financial Regulations governing how it operates. These documents need to be regularly reviewed, fit for purpose and adhered to. Have these documents been reviewed and adopted?	YES		These documents been reviewed and adopted by the council 11 March 2025 The Financial Regulations are ready to be reviewed and adopted on May 13 th 2025 again at the suggestion of the internal auditor.
Payment Controls and Book keeping	1 RFO appointed?	YES		The proper officer has been appointed as the RFO by the full council, in post since March 1 st 2023
	2 Have items or services been competitively purchased in line with the Financial Regulations?	YES		In October 2024 due to health and safety tree felling was required within the woodland, the proper officer required 3 quotes to be resolved by the full council.
	3 Is the cashbook maintained and up to date?	YES		Cashbook is maintained and updated regularly through-out each month.
	4 Is a bank reconciliation carried out regularly?	YES		Every month at the start of the month, checked alongside the Council's bank statements from Unity and Virgin bank.
	5 Are payments in cashbook supported by an invoice, authorised in accordance with a minute resolution or within a scheme of delegation?	YES		All payments are recorded within the cashbook with a minute reference, and all invoices have the cashbooks corresponding BAC's Ref numbers for a clear audit trail.

	6 Has VAT on payments been identified, recorded and reclaimed?	YES	VAT is claimed quarterly, and minuted.
	7 Is S137 expenditure appropriately recorded and within statutory limits?	YES	S137 noted and recorded in separate collum within the cashbook.
	8 Are bank mandates reviewed annually?	YES	The Unity Bank Mandate was reviewed in October 2024, and the Virgin Mandate was reviewed in January 2025
	9 Are BAC's payments paid in line with council policies?	YES	All payments are inputted by the Proper Officer, then all invoices are reviewed, and resolved at the meeting, before 2 signatories authorise the payments. All payments inputted and authorised are documented and signed by persons and filed with invoices for a clear audit trail. Unless no meeting is held, they are approved under delegations, and details of payments are emailed to signatories before authorising, to be resolved at the next meeting.
	10 Are bank cards/cheques paid in line with Council polices?	YES	The council only has 1 bank card with Virgin Bank. The Proper Officer is the only person who can use the card, in line with delegations and the councils Financial Regulations. The Council do have a cheque book, but do not make payments with it. It is there in the event there is an issue with online banking.
	11 Are regular payments reviewed?	YES	All regular payments such as monthly direct debits (website provider/Unity Service Fee), along with the annual ICO direct debit are recorded within the cashbook, copies of direct debits are presented to the council and minuted.
Receipts/Income Controls and Petty Cash	1 Is income properly recorded and banked?	YES	All receipts are recorded within the cashbook, documented with the monthly bank rec, and each individual receipt presented to the council and minuted. The council does have a paying in book if any cheques are given as a payment, full details are recorded as above as well as information placed within the paying in book tab.
	2 Does the precept approved agree to the Council Tax authority's notification?	YES	Full precept demanded received on 7 April 2025
	3 Is Petty Cash adequate, and managed correctly?	N/A	The Council does not have a petty cash.
Debt Collection	Does the Council have in place a debt monitoring arrangement for sums owed to them?	N/A	The council does not have a regular income revenue.
Budget and Financial Statement	1 Has the Council prepared an annual budget in support of its Precept?	YES	The budget was prepared by the Proper Officer, detailing previous/current/future spending and receipts. This was resolved at full council December 2024

	2 Is actual expenditure against the budget regularly reported to the council?	YES	It is reported quarterly and reviewed by the council all information is recorded within the minutes for full transparency, and any variances shown on the QRT budget documents.
Employment/Payroll Controls	1 Do all employees have contracts of employment, and job descriptions?	YES	All staff have contracts and job descriptions. Contracts are reviewed as required. Any amendments made are resolved and amendments are notified to the employee in writing.
	2 Do salaries paid agree with those approved by Council?	YES	All salaries are out sourced by a payroll company, and resolved by the Council before payment, unless paid under delegations in the event of no meeting held. All payments are resolved at the next meeting.
	3 Are salaries reviewed?	YES	Salaries are reviewed annually, in line with the NALC pay scale. Any back payments are promptly paid to staff after resolution of the Council. All changes of pay are then notified to staff members in writing.
	4 Are other payments to employees reasonable and approved by the Council?	YES	All staff expenses are Council approved.
	5 Have PAYE/N. I been properly operated by the Council as an employee?	YES	PAYE/N. I are outsourced by a payroll company, and all contributions are paid on time by the Council.
	6 Does the Council provide a pension scheme for all employees?	YES	Current employees (2 staff members) have opted out of the pension scheme provided by the Council, but the payroll company monitor the payments each month, and if salaries go above the threshold staff are offered the option to join the pension scheme. The payroll company declare the Declaration of Compliance for the council with The Pensions Regulator to declare the Council are compliant with regulations. This happens every 3 years and is next due in 2026
Asset Controls	1 Does the Council maintain an Asset Register of all assets owned or in its care?	YES	The Asset Register is a working document and is reviewed when required throughout the year. Annually all assets are reviewed by the Proper Officer and the asset register along with the asset register policy is reviewed and adopted by resolution.
	2 Is the Register up to date?	YES	It was reviewed in March 2025, and no further assets have been purchased or disposed of since then.
	3 Do asset insurance valuations agree with those in the asset register?	YES	The Asset Register values agree with the current insurance schedule.
Risk Management Arrangements	1 Do the minutes record the Council carrying out an annual risk management assessment?	YES	It was reviewed in March 2025

	2 Is the insurance cover appropriate and adequate including the arrangement for Fidelity guarantee?	YES		Insurance was adjusted by the Clerk in November 2024 upon the purchase of a storage unit. All assets are accounted within the insurance, and all details are correct and up to date. Insurance is due to be renewed on 1 st June 2025, and the 3-year contract with Clear Councils will run out on 1 st June 2026.
Year End Controls	1 Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure) by the RFO?	YES		All accounts were checked by the RFO, and were closed on 31 st March.
	2 Has the internal audit been completed and action plan of recommendations presented for review?	YES		The internal audit has been completed in April 2025, and the report given to full Council. The Proper Officer has completed recommendations and they are to be resolved at May 2025 meeting.
	3 Has the dead line for the Annual Governance Annual Return been met?	YES		AGAR forms are to be resolved at Mays meeting, and this will meet the deadline.
	4 Notification of the dates for period of Public Rights advised to Council and advertise to the electorate?	YES		The dates will be resolved at Mays meeting, upon resolution the dates will be placed on the PC's notice boards and on the PC's website for the period of 3 rd June 2025 – 14 th July 2025
	5 Have the AGAR documents, and the internal report been advertised to the electorate?	YES		Upon the resolution of May 2025 meeting the documents will be placed on the PC's website.
Training and Awareness	1 Does the Council have an adequate training budget for its members and employee's?	YES		This is resolved at the budget meeting in January. The Council considers the advice from its Proper Officer, and the experience and needs of its members for the Civic Year.
	2 Do Staff members and Council members understand their role within training?	YES		All Council members are offered training should they require it. Code of Conduct, and The Good Councillor's Guide are also given. Training needs of staff are raised at appraisals. All members and staff are aware it is also their responsibility to look for training that will benefit the Council.
Transparency and Communication to the public.	Does the Council regularly communicate its financial information to the public?	YES		All transactions and receipts are recorded within the minutes and the agenda. These documents are uploaded to the PC's website each month, and placed within the notice boards. A copy of the agenda is also placed on the PC's social media outlet. Any projects are also communicated with in the local magazine 'The Green Book', so the electorate is aware of how public money is improving the area.

Polices and other documents	1 Does the Council regularly up date it's polices?	YES		The clerk throughout the year will monitor all polices and review them when required, all information is placed on a policy schedule to ensure the polices are up dated in a timely manner. The Annual Governance Review takes place in March each year, which includes all the Council's governing documents.
	2 Are the employment policies, documents and risk assessments up to date?	YES		They are reviewed regularly, staff are issued with up-to-date policies, and documents. As the Council does not have an employee handbook these documents issued to staff cover the areas needed. Staff also sign a document to state they understand and have received the documents provided by the Council. Risk assessments are done as required or annually at a minimum.
General Power of Competence	Has the Council declared General Power of Competence, at least annually? (Election year- at the Annual Meeting)		NO	It has not declared General Power of Competence as the Clerk has not yet completed the CILCA qualification. The council do not have 2 thirds of elected members. This should be declared upon resolution at a meeting in the latter part of the year, upon the Clerks completion of CILCA. (Election year is not until 2027)