

SHEET PARISH COUNCIL

Review of Internal Control 2025-26

Reviewed and approved 10th March 2026

Context

Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards. They must also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging this accountability, the Council are responsible for putting in place proper arrangements for the governance of our affairs and the stewardship of the resources in our care. We are required to report on these arrangements in our published Annual Governance Statement. (This Governance Statement is the second part of the Annual Return produced by the Parish – The first part is the Accounts and the third part is the External Auditors report).

Whilst we are required to appoint a responsible financial officer (RFO) to manage our financial affairs, it is the Council as a whole that is responsible in law for ensuring that its financial management is adequate and effective. This requires us to have a sound system of internal control which facilitates the effective exercise of our functions, and which includes arrangements for the management of risk. (In accordance with normal practice, we have appointed our Parish Clerk as RFO.)

Internal Control Requirement

All local councils are required to conduct at least once a year, a review of the effectiveness of their system of internal control and publicly report the outcome in the Governance Statement.

Internal Controls in place

Standing Orders & Financial Regulations -These are up to date and take into account the latest relevant legislation. They are those recommended by NALC.

Role of the 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

Councillor Involvement - The Council as a whole is responsible to ensure financial management is adequate and effective. Ongoing review of the RFO's

work is carried out by Councillors with responsibility for finance, but all payments and significant decisions are approved by full Council.

Meetings and Minutes - Full meetings are held monthly and the minute book is kept up to date. Approval of the minutes takes place as an agenda item at every meeting, the minutes being those of the previous meeting. Draft minutes are circulated to all Councillors shortly after every meeting. Minutes reflect meetings accurately, are clear and are without errors.

Reporting - Receipts and payments with comparison to Budget are presented at least quarterly, together with a monthly bank reconciliation.

Budgets and Precept - The Council approves budgets for the following year in accordance with the prescribed timetable. At this meeting, the Council approves the level of the precept for the following financial year, identifying major objectives for the coming year as part of that process.

Payments - All payments are made by cheque or on-line bank transfer. The Clerk draws up all payments. All cheques require the signature of two Councillors and all cheque stubs are initialled by same. All on-line payments are set up by the Clerk and authorised by two Councillors. All payments are reviewed at the monthly Council meeting and the details are recorded in the minutes. Backing documentation for each payment accompanies each payment. A Councillor reviews and countersigns the bank reconciliation which is approved at full Council Meetings.

Receipts - Invoices are issued for all services provided. The diary of bookings used by the Clerk and village hall caretaker is used to inform on invoices issued. These invoices are filed and records are reviewed periodically.

Deposits - The RFO maintains a detailed list of third-party allotment deposits held.

Fixed Asset Register and Insurance schedule - These are up to date. Insurance cover provided is sufficient to cover the assets belonging to the Parish Council and it also meets the requirements of the risk assessment.

Risk Register - This has been produced, listing risks perceived and mitigating measures. Reviewed annually.

Auditors - External and Internal Auditors appointed.

Internal Audit Requirement

As noted above, we are required to conduct a review of the effectiveness of our system of internal control and publicly report the outcome in the Governance Statement.

This Governance Statement must include a separate review of internal audit, which is regarded as a key component of the system of internal control. We have a duty to maintain an adequate and effective system of internal audit of our accounting records and the system of internal control. The Internal audit function must be independent which means that whoever carries out the internal audit role must not have any involvement in the financial decision making, management or control of the council, i.e. the council's financial controls and procedures. We have therefore appointed an independent internal auditor – Tim Light, FMAAT, AATQB, of Lightatouch - for 25-26. BDO remain the external auditor for 25-26.

Chair

Sheet Parish Council

10th March 2026