

Middleton-cum-Fordley Parish Council - Internal Controls

The Accounts & Audit (Amendment) (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 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 riskbased ie the 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 not seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs'.

As part of its internal controls, the Council conducts a review of the system of internal controls via the following tests on an annual basis with a written report of any findings submitted to the Council and minuted as received.

Control Test	Comments
Ensure the Asset Register is up to date.	Council reviewed the Asset Register at its meeting on 11/03/26. The Clerk updates the register following every purchase or disposal.
Regular maintenance arrangement for physical assets.	Play equipment is inspected by East Suffolk Services. 8 visual inspections per year 4 operational inspections per year 1 annual inspection per year
Annual review of the Risk Assessment, including financial risk.	Council reviewed and approved the Risk Assessment at its meeting on 11/03/26.
Annual review of adequacy of insurance.	Council reviewed and approved the insurance cover at its meeting on 10/09/25.
Awareness of Standing Orders.	Council reviewed and approved Model Standing Orders at its meeting on 11/03/26.
Awareness of Financial Regulations.	Council reviewed and approved Model Financial Regulations at its meeting on 11/03/26.
Regular bank reconciliation, independently reviewed.	Council reviewed and approved bank reconciliations on: Year End 24/25 14/05/25 Quarter 1 25/26 10/09/25 Quarter 2 25/26 10/12/25 Quarter 3 25/26 12/02/26
Regular scrutiny of Cash Book to ensure income and expenditure correctly recorded.	The Cash Book is scrutinised as part of the quarterly bank reconciliation process.
Ensure annual budget for the following financial year is approved.	Council reviewed and approved the annual budget for the financial year 2026/27 on 10/12/25.

Ensure precept level for the following financial year is approved based on annual budget.	Council reviewed and approved the precept level for the financial year 2026/2027 based on the annual budget on 10/12/25.
Proper arrangements are in place for the approval of expenditure.	Every item of expenditure is authorised by the Council and recorded in the minutes. If applicable, quotations are considered and approved.
Recording in minutes the precise powers under which expenditure is approved.	Every item of expenditure has the power recorded in the minutes.
Payments supported by invoices, authorised and minuted.	<p>Every payment is supported by an invoice, authorised by the Council and minuted at every meeting.</p> <p>Payments are made online using internet banking by one authorised signatory.</p> <p>The Council is mindful of NALC's guidance over repealed Section 150(5) of the Local Government Act 1972, in that Councils must not relinquish the 'two-member signatures' control over cheques and other orders for payment until they have put in place safe and efficient arrangements. The Council verifies the accuracy of the payments made by online bank transfer by reviewing the most recent bank statement at monthly meetings.</p> <p>The Clerk prepares quarterly bank reconciliations when the relevant statements are received to ensure all receipts, payments and transfers are properly recorded and any variations are reported immediately. The quarterly bank reconciliations are reviewed and approved at a quorate PC meeting.</p>
Ensure the maximum amount of s137 expenditure is calculated annually and reported to Council.	<p>Council noted the maximum amount of s137 expenditure for the financial year 2025/2026 on 08/04/26, as follows:</p> <p>10/12/25 £500 Village Newsletter donation.</p> <p>14/05/25 £240 BE & EF Boden & Son, bramble and hedge cutting.</p>
Ensure income, including precept, is correctly received, recorded and banked.	All income received is minuted at meetings. Income is received by direct bank transfer.
Ensure the effectiveness of the internal audit has been reviewed.	The review is covered within the Risk Assessment which was reviewed and approved by the Council at its meeting on 11.3.26, this Internal Controls Statement at its meeting on 8 April 2026.

Ensure all staff have an Employment Contract.	The Clerk/RFO has an Employment Contract.
Records are updated to record changes in legislation.	Regular bulletins are received from SALC informing the Clerk of any changes in legislation. The Clerk regularly attends training sessions delivered by SALC and ESC. Records are updated as necessary.
PAYE/NIC/Pension	Employer filing obligations are met by SALC through its PAYE service. Any NIC due is notified to the Council by SALC and reported at a meeting and is paid by Council to HMRC by BACS. Council noted re-declaration of compliance with the Pensions Regulator on 14.05.25.
VAT correctly accounted for and VAT payments identified, recorded and reclaimed.	All VAT is recorded in a separate column in the Cash Book and reclaimed annually. VAT was last claimed in May 2025 for the period 18.07.24 – 20.03.25.
Regular financial reporting to Council.	The Council notes its bank account balances at every meeting.
Quarterly budget monitoring statements reported to Council.	Council reviewed and approved quarterly budget versus actual income and expenditure on: Year End 24/25 14/05/25 Quarter 1 25/26 10/09/25 Quarter 2 25/26 10/12/25 Quarter 3 25/26 12/02/26
CIL expenditure in accordance with legislation.	CIL expenditure for waste bins at the recreation ground and church path, in accordance with the legislation.
CIL reporting to Parish and District Councils in accordance with legislation.	CIL receipts received in the financial year 2025-2026 were reported to the Council when received and will be reported to the District Council and on the parish website by 31/12/26 in accordance with the legislation. CIL receipts received in the financial year 2024-2025 were reported to the Council when received and reported to the District Council and published on the website by 31/12/2025 in accordance with legislation.

Compliance with Local Transparency Code.	Compliance is demonstrated by the following records published on the Parish Council page on the village website: Items of Expenditure Over £100 2024/2025 End of Year Bank Reconciliation 2024/2025 Annual Governance and Accountability Return 2024/2025 Internal Audit Report 2024/2025 Significant Variances – see Act vs Bud Qs1, 2, 3 & 4 List of Councillor Responsibilities Details of Land and Public Buildings – see Asset Register Minutes and Agendas and Meeting Papers
Compliance with GDPR - Council registered as a Data Controller.	Council's registration with the ICO was renewed in July 2025.
Compliance with GDPR - progress made towards meeting the requirements.	Information Protection Policy readopted 10.12.25. Document Retention and Disposal Policy adopted 08/10/25. Subject Access Request Policy and Procedure adopted 08/10/25. Personal Data Audit noted 10.12.25. Personal Data Breach Policy adopted 08.04.26. Freedom of Information Policy adopted 08.04.26.
	The Council has not conducted any major projects during the financial year which involved the use of personal data, therefore no Data Protection Impact Assessments (DPIA) were completed. All paper records have been reviewed and rationalised. Paper records are kept securely in a clear, identifiable filing system.
Minutes are approved and stored adequately for safekeeping.	Minutes approved at every meeting. Minutes are stored electronically and in a file to which only the Clerk can access.
Procedures in place for recording and monitoring Members' Interests.	Every Member has completed a Register of Interests form and filed it with the District Council. Members are asked to declare any interests at every meeting, and these are recorded in the minutes.
Adoption of Local Code of Conduct.	Council readopted the LGA Model Councillor Code of Conduct 2020 on 11 March 2026.
Completion of Declaration of Acceptance of Office for Chairman and Co-Opted Members.	All members, including the Chairman and Vice-Chairman, completed and signed a Declaration of Acceptance of Office.

Report of system of Internal Controls reviewed by Council at its meeting on 14th March 2023.

Report of system of Internal Controls reviewed by Council at its meeting on 12 March 2024.

Report of system of Internal Controls reviewed by Council at its meeting on 12 March 2025.

Report of system of Internal Controls reviewed by Council at its meeting on 8 April 2026.