# WALTON PARISH COUNCIL
# STATEMENT OF INTERNAL CONTROL AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL 2025 2026 Financial year

1.0 **Overview**

1.1 Walton 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, properly accounted for, and used economically, efficiently and effectively.

1.2 Local councils are required, at least once a year, to conduct, in accordance with proper practices, a review of the effectiveness of its system of internal control. The council is required to sign the annual governance statement (on the annual return submitted to the external auditor) to evidence that this review has been undertaken.

1.3 In order for the Parish Council to review the effectiveness of the internal control system, there needs to be clarity on the internal controls in place.

1.4 Some internal controls are listed in the Financial Regulations document, but the system of controls goes beyond this. A Statement on Internal Controls has therefore been prepared and this is included following this report.

2.0 **Recommendation**

2.1 That the Parish Council consider the attached Statement of Internal Controls, reviewing it to consider whether the controls currently in place are effective.

Prepared by: Helen Moore
Clerk and RFO
January 2026

It was RESOLVED

That the parish council considers / does not consider

The current statement of Internal controls to be effective [ and ]

**WALTON PARISH COUNCIL**

## STATEMENT OF INTERNAL CONTROL

Prepared by H. Moore, RFO – January 2026

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| Cash Book/Bank reconciliations | • The receipts and payments book is kept up to date from original documents (paying-in books, invoices, cheque stubs)<br>• The receipts and payments book is reconciled to the bank statement on a monthly basis<br>• The bank reconciliation is reviewed and approved by the Parish Council with reference to the financial report and bank statements.<br>• The bank reconciliation is signed at the full Parish Council Meeting and minuted as such.<br>• The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the minutes. |
| Financial Regulations | • A document listing the Parish Council's financial regulations, based on the model version prepared by NALC/SLCC is maintained. The regulations are reviewed for continued relevance and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council |
| Order/Tender controls | • The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.<br>• Official orders/letters/emails are sent to suppliers for services which are not regular in nature |
| Legal Powers | • A proper legal power is identified in advance of any expenditure.<br>• The Parish Council **is not** currently eligible to use the general power of competence |
| Payment controls | • Depending on the nature of the supply, the RFO checks the purchase invoice to agree that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct.<br>• Purchase orders/letters ordering the work are matched to purchase invoices where applicable.<br>• A schedule of invoices for payment is provided at the meeting where the cheques are to be signed, and or, payments are to be made via online banking – the schedule includes payments of standing orders/direct debits, due.<br>• All payments are approved by Council.<br>• Payments made are included in the minutes of the meeting as an appendix.<br>• Original invoices are provided to 2 Councillors authorised to sign cheques or authorised to make online payments, and initialed.<br>• All cheques are signed by two Councillors, all online payments are authorised by 2 Councillors.<br>• The cheque number used to settle an invoice and the date it was signed are entered on the schedule of invoices for cross reference purposes- online payments have reference numbers related to the month and year of payment. |

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| s137 | • Payments made under S137 are recorded separately in the receipts and payments ledger and do not exceed the total of the annual per elector amount – this year that amount is £11.10 per elector. |
| VAT repayment claims | • RFO ensures that all invoices are addressed to the Parish Council.<br>• RFO ensures that proper VAT invoices are received where VAT is payable.<br>• RFO maintains a VAT account to show that the correct amount of VAT is reclaimed on a regular basis. |
| Income controls | • RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the Unitary Council<br>• RFO ensures that other receipts due are correctly received and recorded<br>• Income is banked promptly |
| Financial reporting | • A receipts and payments account, comparing actual expenditure to the budget, is maintained.<br>• All required expenditure is listed to show impact on individual budget areas prior to payment |
| Budgetary controls | • The budget is prepared in consultation with the finance working group and approved by the Council, as evidenced by reports and minutes in advance of the start of the financial year.<br>• The precept is set on the basis of the budget by the deadline set by or agreed with, Somerset Council |
| Reserves controls | • Reserves Policy and the level of reserves held is reviewed on an annual basis |
| Payroll controls | • The Clerk is paid under PAYE as an employee.<br>• The Clerk's salary is set by the Council in line with the NALC pay agreement and a minute is prepared to show the agreed salary – spine point<br>• The salary is paid by standing order on the 28th of each month with the payment listed on the schedule as outlined above in the payment control section.<br>• The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done |
| Pension Controls | • Walton Parish Council maintains a NEST pensions scheme, in compliance with current legislation, which all employees are eligible to enroll in.<br>• Employee and employer contributions are authorised monthly and listed on the payment schedule as outlined above in the payments control section.<br>• Staff pension scheme and council contributions are reviewed on a regular basis. |
| Asset Control | • The RFO maintains a full asset register.<br>• The existence and condition of assets is checked on an annual basis by a member of the Parish Council<br>• The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal |
| Risk Management | • The Council carries out regular risk assessments in respect of its activities and regularly reviews its systems and controls. |
| Internal and External Audit | • The council has appointed an independent internal auditor, who reports back to the council on the adequacy of its systems and procedures, internal controls & risk management & its reviews of these matters. The effectiveness of the internal audit is reviewed annually.<br>• Completion of the internal audit is reviewed at a full parish |

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| | council meeting and minuted.<br>• The Annual Governance and Accountability Return [AGAR] is completed by the responsible financial officer [RFO], approved by Council, and signed by the RFO, Chairman and Internal Auditor<br>• The AGAR is submitted to the appointed External Auditor<br>• The external audit report and certificate is reported to the parish council and minuted. |
| Publication | • Financial records are published on the village website as per current statutory regulations and best practice. |
| Data Protection | • The Clerk carries out data audits on a regular basis.<br>• The Clerk monitors compliance with the GDPR and submits reports to Council as required. |