

## STATEMENT ON INTERNAL CONTROL

### 1. SCOPE OF RESPONSIBILITY

Monks Eleigh Parish Council (The 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. In discharging this overall responsibility, The Council is also responsible for ensuring that there is a sound system of internal control as required by Section 2 of the Annual Governance and Accountability Return (AGAR) – Annual Governance Statement.

### 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 ongoing 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. The system of internal control accords with proper practice.

### 3. THE INTERNAL CONTROL ENVIRONMENT

#### The Council

The Council has appointed a Chairman, who is responsible for the running of meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and approves budgets and sets the level of precept at a full council meeting in the January of the financial year. The Council meets at least eleven times each year and monitors progress against its aims and objectives and actions to achieve them at each meeting. The Council carries out regular reviews of its internal controls, systems, and procedures.

#### 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 Council operates an approved Scheme of Delegation. 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. Payments All payments are reported at its meetings for The Council to approval. The Chairman confirms that each payment has been authorised by The Council and two Members of The Council must authorise every payment on the Unity Trust internet banking system Income All income is received and banked in The Councils' name in a timely manner and reported to the Council.

#### Risk Assessments / Risk Management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. Internal Audit The Council has appointed an Independent Internal Auditor who reports to The Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

#### Effectiveness

Heelis and Lodge were appointed as The Council's Internal Auditor for 2025 / 2026 at its meeting on 22nd September 2025 (Minute 51/25d). The two partners of Heelis and Lodge have both worked for local Councils in the past and are completely independent of this Council and The Council has judged that they meet the adequacy criteria. Whilst Heelis & Lodge comply with the regulations covering the Internal Auditors, it would also appear that they meet the coverage required of a council of its size at a fee level that would also appear appropriate External Audit PKF Littlejohn LLP, is the appointed External Auditor of The Council.

4. REVIEW OF EFFECTIVENESS The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- The Council
- The Clerk to the Council / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks
- The independent Internal Auditor who reviews The Council's system of internal control
- The Council's External Auditors, make the final check using the AGAR, a form completed and signed by The Responsible Financial Officer, the Chairman and the Internal Auditor, and issue an annual audit certificate.
- The number of significant issues that are raised during the year.

#### 5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the financial year ended 2024 / 2025. The Internal Auditor in their report made the following recommendations for improvement. 1. To undertake and minute a review of the Risk Assessment and Internal Control during the year of Audit; /2/. To adopt a Statement of Internal Control; /3 The insurance Fidelity cover to be in line with the recommended guidelines of year-end balance plus 50% of the precept.

The Internal Audit Report along with AGAR – Annual Internal Audit Report were reviewed by The Council at the meeting on 19th May 2025 (Minute 10/25a). Whilst no significant internal control issues were identified during the year The Council strives for the continuous improvement of the system it has adopted for internal control, and it addresses any minor issues and weaknesses raised and reported during the review process.

#### 6. EXTERNAL AUDIT FINDING

The External Auditor's Report and Certificate for 2024 / 2025 stated that: On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. Other matters not affecting our opinion which we draw to the attention of the authority: The AGAR had not been approved in accordance with the Accounts and Audit Regulations 2015. The minute references indicate Section 2 was approved before Section 1: Section 1, Assertion 5 has been incorrectly completed as the risk assessment was not reviewed and approved at a meeting during the year under review. This is consistent with the internal Auditor's response to Internal Control Objective C: The AGAR was not fully completed before submission for review. Section 2 Boxes 11a and 11b of the AGAR have not been completed. The smaller authority has confirmed that it is a sole managing trustee and the responses should be 'Yes' and 'Yes' respectively."

#### 7. APPROVAL

A Statement of Internal Control shall be approved each year. Approved 23rd March 2026  
(Minute 26/014). Last Reviewed 23<sup>rd</sup> March 2026