



Bilington Parish Council

Ashford, KENT

Report Number: BPC/26/04

To: Bilington Parish Council
Date: 7 May 2026
Status: Public Report

Subject: Statement on Internal Control for the year ended 31 March 2026 – Annual Governance Statement

SUMMARY: This report details the Statement on Internal Control to support the Annual Governance Statement required as part of the Annual Governance and Accountability Return for the year ended 31 March 2026.

RECOMMENDATIONS:

- 1. To receive and note report BPC/26/04.**
- 2. To approve and endorse the Statement on Internal Control for the year ended 31 March 2026.**
- 3. To authorise the Chairman of the Parish Council to sign the Statement of Internal Control for the year ended 31 March 2026.**
- 4. To respond “yes” in boxes 1 to 10 of the Annual Governance Statement at Section 1 of the Annual Return subject to the adoption of Report BPC/26/04 which relates specifically to Box 6**
- 5. To authorise the Chairman of the Parish Council to sign the Annual Governance Statement.**

REASON FOR RECOMMENDATION:

The Parish Council is asked to agree the recommendations set out below because:

- 1. The 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 and effectively.**
- 2. The Parish Council is responsible for ensuring that this 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 risks.**

1. INTRODUCTION

This report attaches the Parish Council's Statement of Internal Control for the year ended 31 March 2026. The Statement of Internal Control supports the Annual Governance Statement made by the Council at Section 1 of the Annual Governance and Accountability Return.

Assertion 1 – financial management and preparation of accounting statements

We have put in place arrangements for the effective financial management during the year, and for the preparation of the accounting statements. To warrant a positive response to this assertion, the following processes need to be in place and effective:

- Budgeting – The Parish Council needs to prepare and approve a budget in a timely manner before setting a precept and prior to the commencement of the financial year. It needs to monitor actual performance against its budget during the year. A financial appraisal needs to be undertaken before the Parish Council commences any significant project or enters into any long-term commitments.
- Accounting records and supporting documents – all councils need to appoint an officer to be responsible for the financial administration of the council in accordance with Section 151 of the Local Government Act 1972. The Council needs to have satisfied itself that its Responsible Financial Officer has determined a system of financial controls and discharged their duties under Regulation 4 of the Accounts and Audit Regulations 2015.
- Statement of Accounts – the Parish Council needs to ensure that arrangements are in place to enable preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.

Assertion 2 – Internal Control.

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

- Standing Orders and Financial Regulations. The Parish Council needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the way tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.
- Safe and Efficient Arrangements to Safeguard Public Money – Practical and resilient arrangements need to exist covering how the authority orders goods and services, incurs liabilities, manages debtors, makes payments, and handles receipts. Authorities need to have in place safe and efficient arrangements to safeguard public money. Where doubt exists over what constitutes money, the presumption is that it falls within the scope of this guidance.
- Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. Authorities also need to approve any decisions to enter 'pooling' or 'sweep' arrangements whereby the bank periodically aggregates the authority's various balances via automatic transfers.
- The authority needs to approve every bank mandate.

- Risk assessment and internal controls need to focus on the safety of the authority's assets, particularly money. Those with direct responsibility for money need to undertake appropriate training from time to time.
- Employment – the remuneration payable to all employees needs to be approved in advance by the authority
- VAT – the authority needs to have robust arrangements in place for handling its responsibilities regarding VAT
- Fixed Assets and Equipment- the authority's assets need to be secured, properly maintained, and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.
- Councils need to review regularly the effectiveness of its arrangements to protect money. Every council needs to arrange for the proper administration of its financial affairs and ensure that its Responsible Financial Officer has formal responsibility for those affairs.
- Councils need to ensure controls over money are embedded in Standing Orders and Financial Regulations. Whilst Section 150 (c) of the Local Government Act 1972 has been repealed this council has retained the requirement for two signatures to authenticate payments.
- Review of effectiveness – Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct each financial year a review of the effectiveness of the system of internal control.

Assertion 3 – Compliance with laws, regulations and proper practices

We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.

In order to warrant a positive response to this assertion, the following processes need to be in place and effective:

- Acting within its powers – all council's actions are controlled by statute. Therefore, appropriate decision making processes need to be in place to ensure that all activities undertaken fall within a council's power to act, in particular councils need to have robust procedures in place to prevent any decisions or payments being made that are ultra vires.
- Regulations and proper practices – procedures need to be in place to ensure that a council's compliance with statutory regulations and applicable proper practices is regularly reviewed and that new requirements, or changes to existing ones, are reported to members and applied.
- Actions during the year – a council needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations or proper practices.

Assertion 4 – Exercise of public rights

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

In order to warrant a positive response to this assertion the council needs to have taken the following actions in respect of the previous year's Annual Governance and Accountability Return.

- Exercise of public rights. The council provided for the exercise of public rights set out in sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the Responsible Financial Officer to have published, including on the council's website:
 - Sections 1 and 2 of the Annual Governance and Accountability Return.
 - A statement that sets out the details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights

Assertion 5 – Risk Management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

In order to warrant a positive response to this assertion, the council needs to have the following arrangements in place:

- Identifying and assessing risks – the council needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences
- Addressing risks – having identified, assessed and recorded the risks, the council needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

Assertion 6 – internal audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

In order to warrant a positive response to this assertion, the control needs to have taken the following actions:

- Internal audit – the council needs to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account internal auditing guidance for smaller authorities.
- Provision of information – the council needs to ensure it has taken all necessary steps to facilitate the work of those conducting the internal audit. Including making available all relevant documents and records and supplying any information or explanations required.

Assertion 7 – Reports from Auditors:

We took appropriate action on all matters raised in reports from internal and external audit.

To warrant a positive response to this assertion, the council needs to have considered all matters brought to its attention by its internal audit and taken corrective action as appropriate.

Assertion 8 Significant events

We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.

To warrant a positive response to this assertion, the council needs to have taken the following actions where necessary.

- Significant events – the authority needs to have considered if any events that occurred during the financial year (or after the year-end), have consequences, or potential consequences, on the council's finances. If any such events are

identified, the council needs to determine whether the financial consequences need to be reflected in the statement of accounts.

Assertion 9 – Trust Funds

Trust funds (including charitable) in our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.

The council does not act as a trustee.

Assertion 10 – Digital and data compliance

We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

- Email management – Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk rather than abcparishclerk@gmail.com for example.
- All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.
- All websites must meet the Web content Accessibility Guidelines 2.2AA and the Public Sector Bodies (Websites and Mobile Applications) (No.2) Accessibility Regulations 2018 (where applicable)
- All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable)
- All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection (DPA) Act 2018
- All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.
- The DPA 2018 supplements the GDPR and classifies an authority as both a data Controller and Data Processor.
- All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone – clerks, members and other staff – should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

2. **CONTACT OFFICER AND BACKGROUND DOCUMENTS**

If you have any queries about this report please contact The Responsible Finance Officer of the Council

Tel: 07714300986 or email: clerk@bilsington-pc.gov.uk prior to the meeting.

Background Documents:

The following background information has been used in the preparation of this report.

All audit working papers.

Bilsington Parish Council
Statement of Internal Control.

1. Scope of Responsibility

Bilsington 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, which facilitates the effective exercise of the Council's functions and 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; reducing it 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

3.1 The Council

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its December or January meeting. The Council monitors progress against its aims and objectives at its meetings by relevant reports from the Parish Clerk. The Council regularly reviews its internal controls, systems and procedures.

3.2 The Clerk/Responsible Financial Officer

The Council has appointed a Clerk of 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.

3.3 Payments

All payments are approved by Council. Two signatories are required to sign every cheque or two signatories to approve on line banking payments.

3.4 Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of its activities and regularly reviews its system and controls.

3.5 Internal Audit

The Council has appointed an independent, competent internal auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk

management and its reviews of these matters. The effectiveness of internal audit is reviewed annually.

3.6 External Audit

The Parish Council is not required to have an external audit as it is able to certify itself as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

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/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent internal auditor who reviews the Council's systems of internal control

5 Significant Internal Control Issues

Whilst no significant control issues were identified during the year, the Council strives for the continuous improvement of the system it has designed for internal control and has addressed all of the minor issues and weaknesses raised and reported during the review process.

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

Bilsington Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.</i>
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.			<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.</i>

*For any statement to which the response is 'no', an explanation must be published

This Annual Governance Statement was approved at a meeting of the authority on:

and recorded as minute reference:

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

Information required by the Transparency Code (not part of the Annual Governance Statement)

	Yes	No
The authority website is up to date and the information required by the Transparency Code has been published.		

www.bilsington-pc.gov.uk