

INTERNAL CONTROL POLICY

1. SCOPE OF RESPONSIBILITY

Beccles Town Council (the Council) is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the effective management of risk. In accordance with the Local Government Act 1972 s151, the Council has appointed the Finance Officer as the Responsible Financial Officer (RFO) who administers the council's financial affairs in accordance with all Acts, Regulations and proper practices.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

Internal control is designed to reduce financial risk to the Council; the system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the Clerk and RFO but it also falls to council members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and 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. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

3.1 The Council

- The Council has appointed a Chair (designated as Town Mayor) who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawfully taken.
- Chairs of Committees exercise similar responsibilities under delegated authority within their terms of reference.
- The Chair of each meeting (of both Council and Committees) signs each page of the minutes.
- Decisions made are within the Standing Orders and Financial Regulations laid down and approved by the Council. These are kept regularly under review.
- The Council reviews its obligations and objectives and approves budgets for the following year at its December and January meetings.
- The January meeting of the Council approves the level of precept for the following financial year.
- The Council receives and considers regular financial statements at its monthly meetings. In addition, reports of income and expenditure against budget are reviewed quarterly by Finance and Governance Committee.
- Payments are made in accordance with Standing Orders and Financial Regulations.
- The appointment of authorised signatories is kept under review.
- Council has moved to a system whereby the default position will be that payments will be made using internet banking.
- All Council policies are reviewed regularly for accuracy in relation to changes in legislation and current best practice in the policy areas they reflect.

- The Council has an up-to-date Risk Register which is reviewed on an annual basis or as and when any new activity or risk is undertaken or identified.

3.2 Clerk and Executive Officer to the Council / RFO

The Council has appointed a Clerk to the Council who acts as the Council's advisor and principal administrator. The Council has also appointed a Finance Officer who is also the Council's RFO and is responsible for managing the Council's finances. The Clerk and RFO are together responsible for the day-to-day compliance with legislation and policies and for managing risks. The Clerk and RFO ensure that the Council's procedures, control systems and policies are maintained. The RFO exercises responsibility for the Council's banking arrangements. The duties of the Clerk and RFO are laid down in Job Descriptions which were last reviewed and updated in 2021.

The Clerk and RFO together manage the timetable for the audit programme, Council approval of the annual return, and compliance with the electors' rights. The RFO submits all the requested information to the External Auditor by the agreed date and arranges for the required publication of notices, accounts and returns.

The RFO has authority to initiate payments on the Council's bank accounts for authorisation by a further authorised bank signatory. This arrangement is controlled by Financial Regulation 6.5.

The Council has a Credit Card with Anglia Farmers which is restricted to use by the Clerk or Deputy Clerk, with a maximum limit of £2,000, and a limit on single transactions of £500. This card will be replaced with a credit card independent of Anglia Farmers during 2026-27 financial year. The new card will also have a maximum limit of £2,000, and a limit on single transactions of £500. The use of these cards is controlled by Financial Regulation 9.3.

Council also has a debit card which is restricted to use by the Clerk or Deputy Clerk, with a limit on single transactions of £500. The use of this card is controlled by Financial Regulation 9.1.

3.3 Internal Auditor (IA)

The Council has appointed an Independent Internal Auditor (the IA) who will report to the Council on the adequacy of the Council's:

- Records, procedures and systems
- Book-keeping and bank reconciliations
- Financial regulations and standing Orders
- Budgetary controls
- Asset management
- Payment controls
- Risk management
- Statutory / regulatory compliance
- Regular reviews of the effectiveness of internal control.

The effectiveness of the internal audit is reviewed annually, and the Council reviews the appointment of the IA. The IA, who is competent and independent, will carry out the work required in accordance with the Governance and Accountability Guide for Local Councils and additionally will be advised of any additional work required by the Council.

The scope of the work of the IA is reviewed annually and the review and the appointment is minuted.

The IA will inspect the accounts at the year-end (prior to completion of the Annual Governance and Accountability Return (AGAR) -Sections 1 and 2) and will complete the Annual Internal Audit Report of the AGAR. The IA will write a separate report to the Council (a copy of which is provided to all members) detailing any findings they might have. The report of the IA is considered as an agenda item at the next available meeting. Recommendations from the report will be recorded in the minutes and the Finance & Governance Committee will agree an Audit Plan to manage any identified weaknesses or recommendations identified for improvement.

3.4 External Audit

The Council's External Auditors submit an External Auditor's Report, which is presented to the Council. The external auditors undertake a limited range of specified procedures to give a report that provides limited assurance about the Council's accounting statements.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review is informed by the work and any issues identified by:

- Full Council – identification of new activities
- Finance and Governance Committee – identification of new activities or risks
- Clerk to the Council / RFO who has responsibility for the development and maintenance of the internal control environment and managing risks
- IA, who reviews the Council's system of internal control and who makes a written report to the Council
- The Council's External Auditors, who make the final check using the AGAR, a form completed and signed by the RFO, the Chairman and the IA. The External Auditor issues an annual audit certificate and identifies any actions taken need to be considered by the Council arising from Audit Report.

5. INTERNAL CONTROL ISSUES

The internal audit carried out in May 2026 concluded that: "the Council's internal control arrangements are operating effectively to identify, manage, and mitigate risks associated with the stewardship of public funds."

The Internal Audit comments and recommendations were considered by Finance & Governance Committee on 1st June 2026.

6. EXTERNAL AUDIT OPINION

There were no matters on the Annual Return for the financial year to 31 March 2026 which raised cause for concern.