Hallow Parish Council
Statement of Internal Control Policy
Review as to the effectiveness of the system of internal controls

Adopted at Parish Council Meeting on 6th May 2025

Next review: May 2026

Scope and Responsibility
Hallow Parish Council is responsible for carrying out its duties in line with legal requirements and good practice. It must ensure that public funds are protected, properly recorded, and used in a way that is economical, efficient, and effective.
To meet these obligations, the council must have a reliable system of internal control. This system should be based on a proportionate approach to risk—appropriate to the level of risk, the amount of public money involved, and the level of assurance expected by stakeholders.

Purpose of Internal Control
The internal control system is in place to help manage risk at a sensible and acceptable level. It supports a continuous process of identifying and assessing risks to the council's plans and objectives and applying appropriate measures to manage those risks.

Review of Effectiveness
The effectiveness of internal controls must be reviewed each year by two council members. Additionally, the council is required to review and update its Risk Management Plan annually.

No.	Area	Question	Yes/No	Recommended action, if any required
1	Budgetary controls	Has council prepared an annual budget in support of its precept?	yes	
		Is actual expenditure against budget regularly report to council?	yes	
		Are there any significant unexplained variances from budget?	yes	
2	Income controls	Is income properly recorded and promptly banked?	yes	
		Does the precept recorded agree to Council Tax authority's notification?	yes	
3	Payroll controls	Do employees have contracts of employment with clear terms and conditions?	yes	
		Do salaries agree with those approved by chairman?	yes	
		Have PAYE/NIC been properly operated by the council as an employer?	yes	
4	Assets controls	Does the council maintain a register of all material assets owned or in its care?	yes	
		Are the assets and investment registers up to date?	yes	
5	Bank Reconciliation	Is there a bank reconciliation for each account?	yes	
		Is a bank reconciliation carried out regularly?	yes	
		Are there any unexplained balancing entries in any reconciliation?	yes	
		Is the value of investments held summarised on the reconciliation?	yes	

6	Year-End Procedures	Are year-end accounts prepared on the correct accounting basis (receipts and payments)	yes	
		Do accounts agree with cashbook?	yes	
		Is there an audit trail from underlying financial records to the accounts?	yes	
		Where appropriate, have debtors and creditors been properly recorded?	yes	
7	Proper Bookkeeping	Is the cashbook maintained and up to date?	yes	
		Is the cashbook arithmetically correct?	yes	

		Is the cashbook regularly balanced?	yes	
8	Standing Orders and Financial Regulations adopted and applied	Has council formally adopted standing orders and financial regulations?	yes	
		Has a Responsible Financial Officer been appointed with specific duties?	yes	
		Have items or services above the de minimis amount been competitively purchased?	yes	
9	Payment controls	Are payments in the cashbook supported by invoices, authorised and minuted?	yes	
		Is S137 expenditure separately recorded and within statutory limits?	yes	
		Has VAT on payments been identified, recorded and reclaimed?	yes	

10	Risk Management Arrangements	Does a review of minutes identify any unusual financial activity?	yes	
		Do minutes record regular reviews of Risk Register by council?	yes	
		Do minutes record annual risk assessments by council?	yes	
		Is insurance cover appropriate and adequate?	yes	

Internal Control Review to be undertaken by two members of Hallow Parish Council on an annual basis

We confirm we have completed the above review

Councillor:	**Signed:** Hazel Kemshall **-** chair	**Print Name: Hazel Kemshall**	**Date: 06/05/2025**
Clerk	**Signed** Julia Hixson	**Print Name: Julia Hixson**	**Date: 06/05/2025**
Next Internal Control Review due: May 2026			