FELIXSTOWE TOWN COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2027

1. SCOPE OF RESPONSIBILITY

Felixstowe Town 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.

Felixstowe Town Council is responsible for ensuring that there 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 risk.

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 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

The Council:

Felixstowe Town Council reviews its obligations and objectives and approves budgets for the following year at its January full Council meeting. The January meeting of Felixstowe Town Council approves the level of precept for the following financial year.

Felixstowe Town Council has established the Finance and Governance Committee. The Committee meets six times during the financial year. Members of the Committee monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the meetings of the Committee are circulated to all Members of the Council and are a matter of public record.

The full Council meets seven times each year and monitors progress against its aims and objectives at each meeting by receiving minutes, recommendations and reports from the Finance & Governance Committee, Planning & Environment Committee, Assets & Services Committee, Civic & Community Committee, Personnel Committee, and Appeals Committee.

Felixstowe Town Council carries out regular reviews of its internal controls, systems and procedures (see statement at **Appendix 1**).

Clerk to the Council/Responsible Financial Officer (RFO):

The Council has appointed a Town Clerk to Felixstowe Town Council who acts as the Council's principal 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 advising on the day to day compliance with laws and regulations to which Felixstowe Town Council is subject and for managing risks. The Clerk also provides advice to help Felixstowe Town Council ensure that it adheres to its procedures, control systems and policies.

Payments:

Payments are taken from the Felixstowe Town Council account. All payments are reported to Felixstowe Town Council. Two Members of Felixstowe Town Council must sign every cheque, invoice and a schedule of payments. The signatories should consider each cheque or bank payment against the relevant invoice; sign the invoice and initial the cheque counterfoil and payment schedule. All authorised cheque signatories are Members of the Council. No officer of Felixstowe Town Council can sign cheques from this account. In accordance with its Financial Regulations (6.8), Council has approved the use of electronic banking with the instructions for each payment being signed, or otherwise evidenced, by two authorised bank signatories and retained. An Open Credit agreement with the Council's bank, has been approved whereby persons authorised by the Council are permitted to withdraw funds provided that such withdrawals be for petty cash purposes only, limited in frequency to once per month and to a maximum of £250.

Income:

All income is received and banked in the Council's name in a timely manner and reported to the Council.

Risk Assessments/Risk Management:

Felixstowe Town Council reviews its Risk Management Policy and Risk Register annually, and regularly reviews its systems and controls.

Internal Audit:

Felixstowe Town Council has appointed an independent Internal Auditor who reports to Felixstowe Town Council on a biannual basis on the adequacy of its:

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

External Audit:

The Council's external auditors submit an annual certificate of audit which is presented to the Council.

4. REVIEW OF EFFECTIVENESS

Felixstowe Town Council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement on Internal Control.

Appendix 1

Internal Control Statement

Felixstowe Town Council as a whole is responsible for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of their functions and which includes arrangements for the management of risk.

Felixstowe Town Council has determined that the most appropriate method of internal control is at its Finance and Governance Committee and, a biannual Internal Audit review undertaking routine checks to ensure that the accounting records are being properly completed. A random selection of items will ensure that the person carrying out the review is satisfied that the accounting records are correctly maintained. The following checks have been completed:

- that the cashbook is correctly written up and mathematically correct;
- that cheque/BACS amounts agree with invoices;
- that bank reconciliations are regularly undertaken;
- that income due is received;
- that VAT returns have been completed;
- that salary payments agree with Council approved amounts;
- that petty cash is balanced and agrees with receipts;
- that financial statements produced for Council agree with the accounting records;
- that the asset register is updated annually;
- that the risk assessment is updated and reviewed annually;
- that all income/expenditure is reported to the Council and properly approved;

Felixstowe Town Council considers these are reasonable controls, however, care should be taken to ensure that internal control checks are proportionate and relevant, and that they are neither seen as, nor intended as, undue interference in the RFO's day to day management of financial affairs.

Felixstowe Town Council reviews its system of internal control on an annual basis and a report on the findings of this review will be considered by the full Council along with the Council's statement of internal control and formally recorded i.e. in the minutes or on a separate report which is referred to in the minutes.

Policy Approved: Council 17 June 2026
Review Body: Finance & Governance Committee recommendation to Council
Review Period: Annually
Next Review: May 2027 (F&G) June 2027 (Council)