Hadleigh Town Council

The Guildhall
Market Place
Hadleigh
Suffolk
IP7 5DN
(01473) 823884

Statement of Internal Control For The Period April 2025 to March 2026

Item	Control	Evidence
Banking	Metro Bank and Suffolk Building Society used – triple authorisation procedure in place.	All bank users are appointed by Full Council and evidenced in minutes. The banking setup is the triple authorisation procedure.
Bookkeeping and Accounting	Xero accounting software is used to record budgets, invoices, bills and payments	Statements and reports are produced using Xero.
Reconciliations	Documents kept on Xero accounting software and a hard copy printed and stored in line with the document retention policy. Monthly reconciliations are checked by the nominated Councillor as the Internal Financial Verifier (IFV) at least quarterly.	Printed records are kept in the Council office and signed by the IFV.
Standing Orders	The council has adopted NALC standing orders model with minor variations. Standing Orders are reviewed annually for continued relevance and amended where necessary after approval by the Full Council.	Last review of Standing Orders with approval by Full Council was 19th March 2026.
Financial Regulations	The council has adopted Financial Regulations based on the NALC model with minor variations. The regulations are reviewed for continued relevance and amended where necessary after approval by Full Council.	Last review of Financial Regulation with approval by Full Council was 19th June 2026.
Tender Process	Financial Regulations referring to quotations and tender processes are followed.	This process is followed and decisions minuted.
Ordering Process	Refer to Financial Regulations for spend procedures. Within these parameters, all product orders follow the Purchasing Process and Order Request Forms are signed off by either the RFO/Town Clerk.	This process is followed and recommendations from quotations with decisions for spend minuted.
Legal Power	Expenditure is reviewed to ensure that it is commensurate with legal power via payments schedules on Full Council agendas.	All payments seen on the schedule at Full Council and expenditure reconciled to bank statements monthly.

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Payments	A payment schedule is prepared for each Full Council meeting. Payments are made by internet banking or (where only absolutely necessary) by cheque after authorisation at Full Council in an approved spend request item, on the payment schedule approved by Full Council or by the Town Clerk/RFO in line with the financial regulations. The RFO maintains control of the cheque book and savings book and internet banking controls. All require the RFO to raise the payment with 2 nominated Councillors to verify and approve payments.	All payments seen on the schedule at Full Council and expenditure reconciled to bank statements monthly. Cheque book and savings book are kept in a locked fireproof cabinet. Five councillors are set up with internet banking access to verify and approve payments on Metro Bank. Only the RFO/Town Clerk has administration throughout the year and the appointed accountant.
Officer and Councillor Expenses	Employees and Councillors claims for reimbursement of out-of-pocket expenses are approved by the Town Clerk/RFO in advance of payment and detailed on the monthly payment schedules. The expense sheet is treated as an invoice for accounting purposes.	Claim forms are verified and processed by the Town Clerk each month.
Grants (under S137 of the Local Government Act)	All grant requests must be made on the dedicated application form and presented to Council for a decision. All approved grants must be individually recorded and published in the minutes of the approval meeting. Grants are recorded as a separate cost centre in Xero accounting system so that a control against the budget is maintained throughout the year. The Town Clerk/RFO ensures the budget is not exceeded.	All grants are presented to Council and the payments made can be matched to the minuted decisions of awarding the grants. Grant information is published on the website at the end of each financial year. The Assistant Clerk manages a grants spreadsheet which is cross-referenced by the Town Clerk/RFO with the payments and budget in Xero.

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VAT Reclaims	The Town Clerk/RFO ensures that all VAT invoices are treated appropriately in the accounting software in preparation for the year end return and that they are addressed to Hadleigh Town Council.	VAT report is created from the Xero accounting software and submitted to HMRC via the Section 33 report which is filed and audited annually by the internal auditor.
Income	All income is received and banked in the Council's name in a timely manner and reported to the Council within the quarterly financial statements.	Very few cheques are received and those that are, are banked no less than fortnightly. Income is seen per cost centre on the financial statements and bank reconciliations which are verified by the IFV.
Financial Reporting	A report, comparing actual receipts and payments to the budget, broken down by cost centre, is prepared and discussed by the Finance & Budget Sub-committee and then presented to Full Council quarterly and evidenced in the Council's minutes.	Council minutes for July, October, January, April each year.
Budget Process	The budget process starts in September/October and a report re- forecasting the current year and a proposed budget for the following year is compiled and discussed by Finance & Budget Sub-committee in October and then presented in first draft to Full Council in October/November. The final draft (following various iterations) is agreed in January. This includes the precept amount which is then submitted to Babergh District Council before 31st January.	Council minutes evidence the changes made throughout the budgetary process and any recommendations from committees or requests by individuals. The Council are presented with a detailed budget and accompanying notes each time the budget is discussed.
Payroll	All employees are paid in accordance with HMRC PAYE regulations and RTIs are made in accordance with HMRC requirements using accounting software. Staff salaries, hourly rates and pension arrangements are reviewed by the Staffing Sub-Committee. Staffing Sub-Committee agreed recommendations for change are approved by the Full Council operating in a confidential session.	Xero software was used to run payroll for the Council. All decisions by Council on staffing matters are agreed in confidential session and minuted in confidential papers.

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Petty Cash	A separate petty cash account is used to record small payments and reimbursements made in cash. Receipts are obtained and the monies reconciled monthly. All is reported in the accounting software.	Petty cash reconciliation statements and physical cheques are made each month. The reconciliation statements are then checked by the IFV.
Debit Card	One debit card is held in the name of the RFO for the Council's current account and receipts are always obtained to log in Xero and reconcile.	The bank card is kept in a secure place and only used by the Town Clerk/RFO. The bank reconciliation statements are then checked by the IFV.
Assets	The Proper Officer (Town Clerk) maintains the asset register and an inventory list of smaller value items. The existence and conditions of assets are checked on a weekly or monthly basis with another full check completed annually. The adequacy of insurance of the Council's assets is considered annually by the Town Clerk/RFO in advance of the insurance renewal.	Register of Assets is managed on an Excel spreadsheet with a separate one for the inventory management. Staff regularly check the physical conditions of all land and building assets and the council formed an Assets Review Sub-Committee in 2021. Insurance reviews by the RFO are conducted regularly and insurers were appointed, on recommendation, by Full Council.
Internal Audit	The Council annually appoints an independent internal auditor who provides a full report to the Council on Records, Procedures, Systems, Internal control, Regulations and Risk management. The internal auditor will have planned and carried out the work necessary to give the assurances called for in Section 3 of the Annual Governance Accounting Return (AGAR). The Council annually reviews the scope of work offered by the internal auditor.	The internal auditor is approved in a meeting of Full Council each year.
External Audit	The Council submits an annual return to the external auditor appointed by the Smaller Authorities' Audit Appointments Ltd (SAAA) in a timely manner.	As evidenced in the Finance Section of the Town Council's website and per the minutes of meetings each year.