STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDING 31ST MARCH 2026

Reviewed by F&GP committee on 20 July 2026
approved by Council on 29 July 2026
Next review July 2027

I SCOPE OF RESPONSIBILITY

The Broadstairs and St Peter's Town 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 which includes arrangements for the management of risk.

II THE PURPOSE OF THE 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 ongoing 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 risk efficiently, effectively and economically.

III THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council has appointed a Chairman to the Council and Chairmen of its committees, who are responsible for the smooth running of meetings and – with the assistance of the Clerk if necessary - for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and its committees make budget recommendations to the Finance and General Purposes Committee. The Finance and General Purposes Committee approves budgets for the following year, and recommends any council tax increase, at its December meeting. The January meeting of the Council approves the level of precept for the following financial year.

The Council has appointed a Finance and General Purposes Committee that convenes four ordinary meetings each year and monitors progress against objectives, financial systems and procedures, budgetary control and has regular reviews of financial matters. The minutes of the meetings are reported to and approved by the Council.

The Council meets eleven times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Finance and General Purposes Committee and the Town Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

Clerk to the Council/Responsible Financial Officer
The Council has appointed a Clerk to 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 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 followed.

Payments
All payments and out of meeting commitments are reported to the Council for approval.

Payments made out of the NatWest current accounts are for direct debits and staff payments (salaries, HMRC, pension) only. Direct debits and regular payments are approved en masse at the Annual Council Meeting each May under Financial Regulation 7.9. They are then paid automatically and added to the accounting system by the Finance Officer. They are included on the payment schedule presented at each Council meeting. The total amount each month for salaries, tax and NI payments and pension payments is reported at each Council meeting checked quarterly by an appointed councillor.

Current signatories to the account are Cllrs Joanne Bright, Kristian Bright, Mike Garner and Paul Moore. Removal of Cllr Joanne Bright is pending. Registration for Cllrs Rusiecki and Roberts is pending. Two signatories are required in order to set up a new direct debit.

Changes to the Nationwide 95-day Notice account must be approved by Council and then authorised by two signatories: account signatories are Cllrs Kristian Bright, Mike Garner and Paul Moore.

Payments out of the Unity Trust current account must be electronically authorised by two signatories. Signatories are Cllrs Joanne Bright, Kristian Bright, Mike Garner and Paul Moore. Cllr G Rusiecki and Cllr S Roberts have also been approved by Council as signatories and this process is underway. Cllr Joanne Bright wishes to be removed and this process is underway.

Risk Assessment/Risk Management
The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. An Annual Assessment of Risk is created by the Town Clerk and is regularly reviewed annually.

Internal Audit
The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:-

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually.

External Audit
Smaller Authorities' Audit Appointments Ltd (SAAA) was formally appointed in January 2016 as the 'person specified to appoint local auditors' under powers set out in Regulation 3 of the Local Audit (Smaller Authorities) Regulations 2015 to perform the functions set out in legislation for smaller authorities.
Following a tender process in 2022 Mazars was appointed to all relevant smaller authorities (i.e. local councils, including town council and parish councils, and parish meetings) in 36 contract areas for 5 years from 2022/3, as well as all internal drainage boards (IDBs) and 'other' smaller authorities (e.g. charter trustees, port health authorities, etc) in England.

On conclusion of the external audit Mazars will produce an annual External Auditor Report and certificate, which is presented to the Council.

IV 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 full Council;
- the Finance and General Purposes Committee;
- the Clerk to the Council/Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- the independent Internal Auditor who reviews the Council's system of internal control;
- Mazars, the Council's external auditors, who make the final check using the Annual Governance and Accountability Return (AGAR) duly signed by the Responsible Financial Officer, the Chairman and the Internal Auditor together with any additional information requested for audit. Mazars issue an annual external audit report and certificate.
- Central Government or external agency on any significant issue, matter or legislation that's raised or implemented during the year.

V SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2024-25 financial year, and following an internal audit undertaken on the 22 May 2026, the internal auditor signed the Annual Internal Audit Report 2025/26.

Whilst no significant internal control issues were identified during the year, the Council strives for the continuous improvement of the system it has adopted for internal control and seeks to address any minor issues and weaknesses raised and reported during the review process.