1. SCOPE OF RESPONSIBILITY

Brenchley and Matfield Parish 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 as required by Section 2 of the Annual Return – Annual Governance Statement.

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 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 them efficiently, effectively and economically
- The system of internal control has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. THE INTERNAL CONTROL ENVIRONMENT

The Council:

- The Council has appointed a Chair who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.
- The Council reviews its obligations and objectives and approves budgets for the following year at its December or January meeting. The December or January meeting of the Council approves the level of precept for the following financial year.
- The Full Council usually meets eleven times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk and RFO.
- The Council carries out regular reviews of its internal controls, systems and procedures via the Finance Committee meeting.

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 Responsible Financial Officer is responsible for administering the Council's finances. The Clerk is responsible for the 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 polices are adhered to.

Payments:

All payments are reported to the Council for approval. Two Members of the Council must authorise every payment or cheque.

Income:

All income is received and banked in the Councils' name in a timely manner and reported to the Council via the RFO's report to each Full Meeting of the Council.

Risk Assessments / Risk Management:

The Council carries out regular risk assessments, including a separate Finance and Governance Risk Register, in respect of actions and regularly reviews its systems and controls.

Internal Audit:

The Council has appointed an Independent Internal Auditor, Mark Mulberry, 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, with the Full Council receiving the interim and final internal audit reports.

External Audit:

The Council's External Auditors, Mazars, submit an annual Certificate of Audit, which is presented to the Council.

4. 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 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 & Accountability Return, a form completed and signed by the Responsible Financial Officer, the Chair and the Internal Auditor. Mazars issue an annual audit certificate.
- the number of significant issues that are raised during the year.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

No significant internal control issues were identified during the 2025-26 financial year and the Council strives for the continuous improvement of the system it has adopted for internal control and has addressed all the minor issues and weaknesses raised and reported during the review process.

Chair Brenchley and Matfield Parish Council	Clerk Brenchley and Matfield Parish Council	1.6.26. Date

Statement of Internal controls for Annual Governance Statement 2025-26

This document outlines information that the Council should note and consider as evidence to support its assertion of "Yes"

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes means that this authority: *prepared its accounting statements in accordance with the Accounts and Audit Regulations.*	**YES** – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes means that this authority: *made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*	**YES** – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	Yes means that this authority: *has only done what it has the legal power to do and has complied with Proper Practices in doing so.*	**YES** – the Clerk advises the council in respect of its legal powers.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes means that this authority: *during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*	**YES** – the requirements and timescales for 2024/25 year-end were followed.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes means that this authority: *considered and documented the financial and other risks it faces and dealt with them properly.*	**YES** – the council has a risk management policy and risk assessment schedule and appropriate external insurance.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes means that this authority: *arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*	**YES** – the council has appointed an independent and competent internal auditor.
7. We took appropriate action on all matters raised in reports from internal and external audit.	Yes means that this authority: *responded to matters brought to its attention by internal and external audit.*	**YES** – matters raised in internal and external audit reports have been addressed.

8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	Yes means that this authority: *disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*	**YES –** no matters of this nature were raised during the internal audit visits.
9. Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	Yes means that this authority: *has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*	**N/A –** the council has no trusts
10. Assertion 10	Yes means that this authority: *has met requirements for GDPR, FOI, Transparency and accessibility*	**YES –** the individual elements of the Assertion were addressed initially by the Policy Committee, having been seen by the Internal Auditor without concern. Training and templates had been obtained and an audit of data held undertaken and published.