

MARGATE CHARTER TRUSTEES

STATEMENT OF INTERNAL CONTROL

FOR THE YEAR 1ST APRIL 2026 – 31ST MARCH 2027

VERSION CONTROL

Version	Adopted	Review Date	Owner	Committee	Distribution
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Contents

1. Scope Of Responsibility 3
2. The Purpose of the System of Internal Control 3
3. The Internal Control Environment 3
   a) The Council: 3
   b) Town Clerk/Responsible Financial Officer 4
   c) Payments 4
   d) Risk Assessments/Risk Management 4
   f) Internal Audit 4
   g) External Audit 5
4. Review of Effectiveness 5
5. Significant Internal Control Issues 5

1. Scope Of Responsibility

Margate Charter Trustees (the Trustees) are responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Trustees are also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Trustees' 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. Therefore, it can 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 will be in place at the Charter Trustees for the financial year ended 31st March 2027 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

a) The Charter Trustees:

a) Annually appoints a Mayor who is the Chairman of Margate Charter Trustees and is, therefore, responsible for the smooth running of meetings and for ensuring, in conjunction with the Clerk, that all Trustees' decisions are lawful

b) Reviews its obligations and objections and approves budgets for the following financial year in January of each year and, at such meeting, approves the level of Precept it will require for such period

c) Monitors progress against objectives, financial systems and procedures, and budgetary control, and carries out regular reviews of financial matters

d) The Trustees monitor progress against its aims and objectives at each meeting by receiving relevant reports at its meetings.

e) Carries out regular reviews of its internal controls, systems and procedures

b) Clerk/Responsible Financial Officer

The Charter Trustees have appointed a Clerk who acts as the Trustees' adviser and administrator and is responsible for the day-to-day compliance with laws and regulations that the Trustees are subject to and for managing risks. The Clerk also ensures that the Trustees' procedures, control systems, and policies are adhered to. The Clerk is the Charter Trustees' Responsible Financial Officer and is responsible for administering the finances.

c) Payments

The Clerk/Responsible Financial Officer is the sole authorised user for making payments through the Trustees' online banking system. To mitigate the risks arising from this arrangement, payments are made only in accordance with the approved budget or a specific resolution of the Trustees and must be supported by an invoice or other appropriate documentation.

A schedule of all payments is presented to the Trustees for review and approval, and the supporting records are retained to provide a clear audit trail. Online banking credentials are unique to the Clerk, are not shared and are protected by the security measures provided by the bank.

Bank statements and reconciliations are reviewed regularly by the Trustees, and any unusual or exceptional payment is referred to the Mayor or Trustees before it is made. These controls are also reviewed as part of the internal audit process.

d) Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

e) Internal Audit

The Charter Trustees have appointed an Independent Internal Auditor, Auditing Solutions Ltd, who reports to the Council, through the Town Clerk, on the adequacy of its:

a) Records
b) Procedures
c) Systems
d) Internal control
e) Regulations
f) Risk management
g) Reviews

The effectiveness of the Internal Audit is reviewed annually.

f) External Audit

The Council's external auditors, PKF Littlejohn, submit an annual Certificate of Audit, which is presented to the Council and publicised.

4. Review of Effectiveness

The Trustees have 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:

a) The Charter Trustees

b) The Clerk to the Trustees/Responsible Financial Officer, who has responsibility for the development and maintenance of the internal control environment and managing risks.

c) The Independent Internal Auditor who reviews the Council's system of internal control.

d) PKF Littlejohn who makes the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Mayor of the Charter Trustees, and the Internal Auditor and issues an annual Audit Certificate.

e) Any number of issues that may be raised during the year.

5. Significant Internal Control Issues

The Charter Trustees strive for the continuous improvement of the system it has adopted for internal control and has addressed the issues and weaknesses raised and reported during the review process.