

LEATHERINGHAM PARISH COUNCIL

INTERNAL CONTROL STATEMENT AND REPORT FOR THE YEAR ENDING 31 MARCH 2026

Adopted:	8 th September 2025	Minute reference 2025.41.01
Signed by the Chair:	<i>Paul Clarke</i>	Date: <i>08.09.2025</i>
Signed by the Clerk:	<i>Trevor Gill</i>	Date: <i>08.09.2025</i>
Reviewed:(due May 2026)	Minute reference 2026.
Signed by the Chair:	Date:
Signed by the Clerk:	Date:

INTERNAL CONTROL STATEMENT FOR THE YEAR ENDING 31 MARCH 2026

1. SCOPE OF RESPONSIBILITY

Letheringham Parish 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.

The 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:

The council reviews its obligations and objectives and approves budgets for the following year at its December meeting. The December meeting of the council also approves the level of precept for the following financial year.

A Councillor is appointed to have responsibility for bank reconciliation checks.

The full council meets four times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the parish clerk.

The council carries out regular reviews of its internal controls, systems and procedures. See attached Report.

The Offices of Clerk & of Responsible Finance Officer to the Council:

The Council has appointed a Councillor as Clerk to the Council who acts as the Council's advisor and administrator. Another Councillor acts as Responsible Financial Officer (RFO) with responsibility for administering the Council's finances. It is recognised that this system is not best practice. However, it has been the practical choice as the appointment of an employed Clerk in 2024/25 did not prove to be satisfactory and was costly for such a low tax base for the precept. It is considered that, with very low annual expenditure, no property or assets of any significant value and a very small electorate, the use of Councillors filling these roles as volunteers is a practical solution.

The Clerk is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also provides advice to help the Council

ensure that its procedures, control systems and policies are adhered to. The RFO is responsible for ensuring the Council's financial transactions and records comply with relevant laws and regulations.

Payments:

All payments are reported to the council for approval. Three councillors are authorised signatories on the bank accounts and two of them must sign every cheque or authorise every online payment. A fourth councillor is appointed to check and sign off bank reconciliations regularly.

Income:

All income is received and banked in the council's name in a timely manner and reported to the council. No cash is currently received and all receipts are via BACS.

Risk Assessments/Risk Management:

The council reviews its risk assessment annually in February, and regularly reviews its systems and controls.

Internal Audit:

The council appoints an independent and competent internal auditor who reports annually to the Council on the adequacy of its systems:

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

4. REVIEW OF EFFECTIVENESS

The 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 of Internal Control.

Approved and adopted by Letheringham Parish Council

Paul Clarke

Trevor Gill

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Chairman & RFO

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Clerk

08.09.25

2025.41.01

Date:

Minute Reference:

INTERNAL CONTROL REPORT FOR YEAR ENDING 31 MARCH 2026

The Accounts & Audit (England) Regulations 2015 aim to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

‘The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control.... care should be taken to ensure that internal control tests 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.’

As part of its internal control, at its December meeting, the Parish Council appoints a Councillor (ideally a non-signatory but with three signatories among five councillors this may not always be possible) to conduct a review of the system of internal control via the following tests on an annual basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE Yes or No	COMMENTS – documents should be checked and initialled and dated to confirm check carried out
Ensuring an up to date Register of Assets	Yes	At the February Parish Council meeting
Regular maintenance arrangements for physical assets	Yes	Report to the February Parish Council Meeting by councillor responsible for asset register
Annual review of risk and the adequacy of Insurance cover	Yes	At the February Parish Council meeting
Annual review of financial risk	Yes	At the February Parish Council meeting
Awareness of Standing Orders and Financial regulations	Yes	At the Annual Parish Council meeting
Adoption of Financial and Standing Orders	Yes	At the Annual Parish Council meeting
CONTRACTORS		
Regular reporting on performance by contractors	N/A	No regular contractors in 2025/26

Annual review of contracts (where appropriate)	N/A	No regular contractors in 2025/26
FINANCIAL		
Regular bank reconciliation, independently reviewed	Yes	At each regular meeting
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	At each regular meeting
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	No	At each regular meeting
Payments supported by invoices, authorised and minuted	Yes	At each regular meeting
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	At each regular meeting
Scrutiny to ensure precept recorded in the cashbook agrees with District Council notification	Yes	At the meeting after precept is received
EMPLOYER RESPONSIBILITIES		
Contracts of employment for staff Contract annually reviewed Updating records to record changes in relevant legislation PAYE/NIC properly operated by the Council as an employer	N/A N/A N/A N/A	No staff employed currently
VAT		
VAT correctly accounted for - VAT payments identified, recorded and reclaimed in the cashbook	Yes	Recorded for each payment and Reclaimed annually or less if under £100
COMPLIANCE		
Regular financial reporting to Parish Council	Yes	At each regular meeting
Regular budget monitoring statements as reported to Parish Council	Yes	At each regular meeting

Compliance with DCLG Guide <i>Open & Accountable Local Government</i> 2014, Part 4: Officer Decision Reports	Yes	Decisions are recorded in the minutes
Compliance with Local Transparency Code of 2014: Items of expenditure incurred over £500	Yes	Expenditure controls are adopted in the Financial Regulations
Verifying that the Council is compliant with the GDPR requirements. Are the following in place: Audit / Impact Assessment Privacy Notices Procedures for dealing with Subject Access Requests Procedure for dealing with Data breaches Data Retention & Disposal Policies	Yes Yes Yes Yes Yes	Audit is reviewed for recommendations Published on website Published on website Within GDPR Data Protection and Management Policy Within GDPR Data Protection and Management Policy
Minutes properly numbered and paginated with a master copy kept by Clerk for safekeeping	Yes	
Procedures in place for recording and monitoring Members' Interests and Gifts of Hospitality	Yes	Members take individual responsibility for reviewing annually their entry on District Council's Register of Interests
Adoption of Codes of Conduct for Members	Yes	Annual Review and Adoption at the Annual Parish Council meeting
Declarations of Acceptance of Office	Yes	Hard copies kept by the Clerk

Review carried out by: **Paul Clarke**

Signature: *Paul Clarke*

Carried out: *03.09.2025*

Report submitted to Council *08.09.2025*

Minute reference: *2025.41.01*

Next review due: September 2026

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