

LEAVENHEATH PARISH COUNCIL

INTERNAL CONTROL STATEMENT FOR YEAR ENDING 31 MARCH 2026

1. SCOPE OF RESPONSIBILITY

Leavenheath 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.

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 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 financial objectives and approves budgets for the following year at its January Meeting. The January meeting of **the Council** approves the level of precept for the following financial year.

The council meets 6 times each year and receives quarterly budget reviews and monitors progress against its financial aims and objectives. All financial decisions are made by the full council at meetings held in public. Expenditure is broken down into the relevant budgetary headings on the Summary spreadsheets.

The Council carries out regular reviews of its internal controls, systems and procedures. **The council** has a generic email account hosted on an authority owned domain.

Clerk to the council/responsible finance 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 (**RFO**) and is responsible for administering the Council's finances. 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 Council** is registered as an Employer with HM Revenue & Customs, and the HM Revenue & Customs Software is used by the **RFO** to calculate PAYE monthly. The Annual PAYE Return is completed ahead of the deadline. **The Council** is a member of the Local Government Pension Scheme in respect of the Clerk to Council, and all relevant payments are calculated in accordance with the scheme rules, and the relevant Annual Return is made. **The Council** is aware of its duties in relation to re-declaration of compliance with The Pension Regulator which takes place every 3 years.

Payments:

Invoices are reviewed and recommended for payment by the **RFO**. The Invoices are collated with the Finance Report, and the pre-agreed payments are made at the start of each month. The payments are listed for approval at the relevant meeting of **the Council**. It is indicated on the Invoice

whether the payment method is funds transfer or by Cheque. If applicable the Cheque numbers are written on the Invoice. Most payments are made by Funds Transfer. The **RFO** and 2 members of **the Council** are authorised for On-line banking. The **RFO** inputs the pre-agreed payments. We have a complex mandate requiring a further authoriser. One of the authorisers could input the payments in the absence of the **RFO**. The bank balances are provided once a month in the Minutes and members should check the balances accord with the previous months balance and payments. The bank statements are reviewed online by a member of **the Council** authorised for On-line Banking at least quarterly to allow members to check the amounts equate to those stated in the Minutes and provide confirmation they have been checked. The VAT pre-payments are secured from HM Revenue & Customs at least annually.

Income:

All income is received and banked in **the Council's** name in a timely manner and recorded in the Scribe Ledger.

Risk Assessments/Risk Management:

The Council reviews its risk assessment annually in September/November ahead of budget to aid financial planning for the following year and beyond. **The Council** regularly reviews its systems and controls. The Bank Accounts and ledger balances should be reconciled at least quarterly to ensure any discrepancies are identified and addressed.

Internal Audit:

The Council appoints an independent internal auditor who reports to **the Council** on the adequacy of it's:

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

External Audit:

When required - **The Council's** external auditors, submit an annual certificate of audit which is presented to **the Council**. **The Council** reviews the criteria for Exemption from External Audit annually and makes the appropriate declaration.

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 on Internal Control.

Approved and adopted by Leavenheath Parish Council

Meeting date: 7th January 2026