Statement of Internal Controls

1. Introduction

1.1. St Buryan Lamorna Parish Council (the Council) is a local authority that is funded largely by public money. It is required to ensure that its financial business is conducted in accordance with the law and proper standards; and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

1.2. That duty requires the Council to employ a sound system of internal control that facilitates the effective exercise of the Council's functions and includes the management of risk.

1.3. The Council is required to review at least annually the effectiveness of its systems of financial control. To this end, the Council commissions an internal auditor and assists them and the external auditor to carry out their work and acts on their requirements and recommendations.

2. Purpose of the System of Internal Control

2.1. Given the resources available to the council, it is not possible to eliminate all risk of failure to achieve policies, aims and objectives. The system of internal control is therefore designed to manage risk to a reasonable level and is based on an ongoing process that is designed to:

a. identify the risks to the achievement of the Council's policies, aims and objectives
b. evaluate the likelihood of those risks being realised and their impact should they be realised
c. and manage them efficiently, effectively and economically.

2.2. The system of internal control accords with the practices set out in the Joint Panel on Accountability and Governance *Practitioners Guide* (March 2025 edition).

3. The Internal Control Environment

3.1. The Council

a. has adopted Financial Regulations which set parameters for its financial operations;
b. aims to review its obligations and objectives and approve budgets and the level of the precept for the following year before or at its December meeting;
c. reviews and signs off monthly bank reconciliations at each council meeting;
d. with the exception of August each year, meets once a month and monitors progress at each meeting by receiving relevant reports from the RFO/Clerk;
e. carries out regular reviews of its internal controls, systems and procedures.

4. The Clerk

a. has been appointed by the Council as its advisor and administrator;
b. is the Council's Responsible Financial Officer (RFO) and is responsible for administering the Council's finances;
c. carries out regular budget monitoring and reports on it each month to the Council;
d. is responsible for the day-to-day compliance with laws and regulations to which the Council is subject and for managing risks;
e. ensures that the Council adheres to its procedures, control systems and policies.

5. Payments

5.1. All payments are reported each month to the Council for approval, which authorises the Payments List.

5.2. Except where debit card is the only option, payments are made by direct debit, standing order or BACS transfer, with online payments being raised by the Clerk and authorised by two Councillors.

5.3. Where delegation permits payments to be made without prior approval, as per the Local Government Act 1972, s101(1a) and the Council’s Financial Regulations, a report will be provided to the next full Council.

5.4. Regular payments are reviewed annually by the Council.

6. Risk Assessments/Risk Management

6.1. The Council maintains up-to-date risk assessments as appropriate, reviewing all documents according to need, and regularly reviews its systems and controls.

6.2. The Council seeks and receives appropriate property, legal, insurance and health and safety advice as appropriate to manage risk.

7. Internal Audit

7.1. The Council appoints an independent and competent internal auditor who reports to the Council on an annual basis on the adequacy of its records, procedures, systems, internal controls and risk management.

7.2. Any issues raised by the internal auditor are reported in writing to the Council and agreed actions are monitored to ensure that they have been carried out and actioned within agreed timescales.

7.3. The Council reviews the effectiveness of the internal audit annually.

8. External Audit

8.1. The Council appoints an external auditor to carry out a limited assurance review.

8.2. Following completion of the External Audit, an annual Certificate of Audit is provided which is presented to Council and published.

Review of Effectiveness

8.3. The Council has responsibility for conducting a review of the effectiveness of the system of internal control and internal audit process, which is monitored and informed by

a. the Council
b. the Clerk to the Council / Responsible Financial Officer
c. the work of nominated Councillors (Finance Committee) reporting to the Council as the ‘body corporate’
d. the work of the independent internal auditor
e. the external auditor through the Annual Return.