

# LAWSHALL PARISH COUNCIL INTERNAL CONTROL STATEMENT

## Document Control

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## 1. SCOPE OF RESPONSIBILITY

Lawshall 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.

(Please also refer to Lawshall Parish Council Financial Risk Assessment and Management).

## 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:

Lawshall Parish Council reviews its obligations and objectives, approves the budget and level of precept for the following year at its January and February meetings.

The full council meets 12 times each year. It monitors progress against its aims and objectives at each meeting by receiving relevant financial reports, including bank reconciliation checks.

The council carries out regular reviews of its internal controls, systems and procedures. A councillor (who is not a bank signatory) is appointed to have responsibility for this.

### Clerk / Responsible Finance Officer:

Lawshall Parish Council has appointed a Clerk who acts as the council's advisor, administrator and is also the council's Responsible Financial Officer. 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.

**Payments:**

All payments are reported to the council for approval. A member of the council must sign every cheque or order for payment as well as the R.F.O. The signatories should consider each payment against the relevant invoice, sign the invoice or initial the cheque counterfoil. One bank signatory sets up an online bank payment and another authorises this. All authorised cheque and bank signatories are members of or employed by the council. Where delegation permits, as per s.101(1)(a) of the Local Government Act of 1972 and the Council's Financial Regulations, a report will be provided to the next full council.

**Income:**

All income is received and banked in the council's name in a timely manner and reported to the council.

**Risk Assessment/Risk Management:**

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

**Internal Audit:**

The council appoints an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of it's:

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

**External Audit:**

The council's external auditors, submit an annual certificate of audit which is presented to them.

**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.