

**LYMINGE PARISH COUNCIL  
STATEMENT ON INTERNAL CONTROL  
FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2022**

**1. SCOPE OF RESPONSIBILITY**

The Lyminge Parish Council (the Council) is 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 Council is also 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 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 has been in place at the Council for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts and accords with proper practice.

**3. THE INTERNAL CONTROL ENVIRONMENT**

**The Council:**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and provisionally approves budgets for the following year at its November meeting. The December meeting of the Council adopts the budget and approves the level of precept for the following financial year. The precept is confirmed at the January meeting of Full Council.

The Council has appointed a Finance and Administration Committee of members who meet between ten and eleven times each year and monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. The minutes of the F&A committee meetings are reported to the Full Council.

The Full Council meets a minimum of ten times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Finance and Administration Committee and the Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

**Clerk to the Council / Responsible Financial Officer:**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. Until 31 January 2022, the Clerk was also the Council's Responsible Financial Officer. Thereafter, the Clerk and RFO were different people. The RFO is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to. The Chairman of the Council undertakes spot checks of transactions and their recording throughout the year.

**Payments:**

All payments are reported to the Council for approval. Two Members of the Council must sign every cheque and online payment instruction. No payment to be signed off without supporting documentation.

**Risk Assessments / Risk Management:**

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

**Internal Audit:**

The Council has appointed an Independent Internal Auditor who reported to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit system is reviewed annually.

**External Audit:**

The Council's External Auditors, PKF Littlejohn LLP, submit an annual Certificate of Audit, which is presented to the Council.

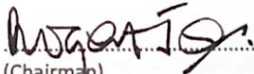
**4. REVIEW OF EFFECTIVENESS**

The Council has 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:

- the Full Council;
- the Finance and Administration Committee;
- the Clerk to the Council / Responsible Financial Officer who individually have responsibility for the development and maintenance of the internal control environment and managing risks in the areas for which they are each responsible;
- the spot checks undertaken during the year by the Council Chairman;
- the independent Internal Auditor who reviews the Council's system of internal control;
- PKF Littlejohn LLP, the Council's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. PKF Littlejohn LLP issues an annual audit certificate;
- the number of significant issues that are raised during the year.

**5. SIGNIFICANT INTERNAL CONTROL ISSUES**

No significant internal control issues were identified during the 2021/22 year.

Signed: .....  
(Chairman)

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(Clerk)

Date: 5.07.22.....