



LISKEARD COUNCIL  
WORKING FOR YOU

## LISKEARD TOWN COUNCIL

### STATEMENT OF INTERNAL CONTROL 2023

#### 1. Scope of Responsibility

Liskeard Town Council is a Local Authority funded largely by public money. It is responsible for ensuring that its 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.

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.

The Council is required to review at least annually the effectiveness of its system of financial control.

#### 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 2023 and accords with proper practise.

#### 3. The Internal Control Environment

##### The Council

- The Council has adopted Financial Regulations (updated 18 May 2021) which set parameters for the Council's financial operations.
- The Council has appointed a Chair who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, and in accordance with its Standing Orders.
- The Council meets at least six times per year to monitor and review its obligations, aims and objectives, and receive reports from the Town Clerk, RFO, committees and members of the Council.

- The Council monitors financial systems and procedures, budgetary control and regularly reviews financial matters.
- The Council has appointed Committees who monitor progress against objectives and budgets
- The Council met in January 2023 to approve the budget (as recommended by the committees) and precept for the coming year 2023/24.
- The Council carries out regular reviews of its internal controls, systems and procedures.
- Payroll is processed by the Account's Clerk using Sage Payroll (this is on a subscription service and receives all necessary updates) and checked by the Responsible Finance Officer. Banking services are provided by HSBC and Lloyds, with short term cash deposits held with Cornwall Council. RBS Omega, a bespoke local council accountancy package, is used to complete the management accounts, invoicing, and financial returns for the Council.

### **Clerk to the Council and Responsible Financial Officer**

The Council has appointed a Clerk to the Council who acts as the Council's advisor and manager. The Council has appointed a separate officer to act as the Responsible Financial Officer (RFO) who advises on financial related issues and is responsible for the administration of 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.

### **Payments**

All expenditure must be authorised by the Council, or by a committee having delegated authority, or (in accordance with the Financial Regulations) by other delegated authority. All receipts and payments are reported to the Council. The RFO is responsible for checking the legality of each payment and that payments are within the powers of the Council prior to presentation to the Council.

### **Risk Assessments/Risk Management**

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. New projects are risk assessed by Council before approval. The insurance cover is reviewed annually to ensure the correct level of cover has been provided, and during the year as new risks are introduced or changes made.

### **Internal Auditor**

The Council has appointed Hudson Accounting Limited, an Independent Internal Auditor who reports to the Council twice yearly (interim and final report) on the adequacy of:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews
- governance processes

The effectiveness of the internal audit is reviewed annually.

#### **External Auditor**

The Council's external auditors, appointed by the Government (BDO LLP) submit an annual certificate of audit which is presented to the Council for consideration and action where required.

#### **Professional Advice**

Additionally, the Council seeks and receives appropriate external, professional property, legal, insurance, VAT, personnel/human resources and health & safety advice as appropriate to manage risk.

#### **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 full Council
- The Clerk and Responsible Finance Officer to the Council who are responsible for the development and maintenance of the internal control environment and managing risk.
- The work of officers reporting to the Council and its committees
- The Independent Internal Auditor who reviews the Council's system of internal control and reports to the Council.
- The Council's External Auditor who makes a final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chair, the Town Clerk and the Internal Auditor. An Audit Certificate is issued.
- 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 2022-2023 financial year. Whilst no significant internal control issues were identified during the year the Council strives for the continuous improvement of the system it has adopted at all times.

Approved by Council 25 April 2023

Review due April 2024