



LISKEARD TOWN COUNCIL

STATEMENT OF INTERNAL CONTROL 2026

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.

A system of internal control has been in place at the Council for the year ended 31 March 2026 and accords with proper practise.

3. The Internal Control Environment

The Council

- The Council has adopted Financial Regulations (reviewed 25 March 2025) 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 monthly 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 2026 to approve the budget (as recommended by the committees) and precept for the coming year 2026/27.
- The Council carries out regular reviews of its internal controls, systems and procedures.
- Payroll is processed by the Account's Clerk using Sage 50 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 such as VAT 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 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 has appointed a separate officer to act as the Responsible Financial Officer (RFO) (Section 151 Officer as mandated by the Local Government Act 1972) who is tasked with making arrangements for the proper administration of the council's financial affairs. This includes overseeing budgeting, accounting, and financial reporting processes. The RFO advises the council on key financial risks and ensures the council operates within its financial means. This is essential to maintain the council's financial integrity and ensure financial decisions are legally sound and financially prudent.

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 income and expenditure 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.

Invoices for payment are stamped on receipt and presented to the relevant manager who authorises payment after checking the details against the purchase order and delivery note where provided. The invoice is passed to the Finance Officer to be checked for arithmetical accuracy and that VAT when charged has been correctly calculated, and this is confirmed by the RFO. All payments are made within the due date as specified on the invoice to avoid late payment fees or interest. The RFO prepares a schedule of such payments for ratification by Council for each meeting.

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 Council maintains an accurate Asset Register for the purposes of effecting insurance, which is reviewed annually to ensure all risks are identified therein, and during the year as new risks are introduced or changes made.

Internal Auditor

The Council has appointed JT Audit and Accountancy, 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

Competence – The auditor is qualified with the SLCC's Internal Auditing of Local Council's qualification, is AAT qualified and has over 30 years' experience of Local Government finances at all levels within Town, District and Unitary Councils and is currently an RFO for a large Town Council in Cornwall.

Independence – it has been confirmed there are no relationships with Members or Officers of the Council which would cause a conflict of interest or compromise the independence of the audit.

The effectiveness of the internal audit is reviewed annually.

External Auditor

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

A statement has been completed that there are no conflicts of interest.

Professional Advice

Additionally, the Council seeks and receives appropriate external, professional advice as appropriate to manage risk on matters such as property, legal matters, insurance, VAT, employment law and health & safety.

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 2025-2026 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 28 April 2026
Review due April 2027