LINKINHORNE PARISH COUNCIL

STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDING 31 MARCH 2026

SCOPE OF RESPONSIBILITY

Linkinhorne Parish Council is a local authority funded largely by public money, and 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.

In discharging this overall responsibility, Linkinhorne Parish Council (the Council) is also responsible for ensuring that there is a sound system of internal control in order to facilitate the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

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 provide only 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 2025 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Practitioners' Guide, *Governance and Accountability in Local Councils* (2025). The Council reviewed and adopted Financial Regulations in December 2025 based upon those recommended by the National Association of Local Councils.

THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council reviews its obligations and objectives and approves a budget for the following year at its December or January meeting. The meeting of the Council in October 2025 approved the level of precept for the following financial year.

The Council has appointed a Finance working group. The group met twice in the year ended 31 March 2025. Members of the group monitor progress against objectives, financial systems and procedures, budgetary control and the Council carries out monthly reviews of financial matters. The outcome of the meetings of the group is reported to the Council.

The full Council meets monthly. It monitors progress by receiving relevant reports from the Finance group and the Parish Clerk. A bank reconciliation is presented to each member prior to the monthly meetings.

The Responsible Financial Officer has delegated powers to incur expenditure within the appropriate budgetary provision. Expenditure on any item must be authorised by full Council. The Clerk has delegated authority to incur expenditure of up to £500 per month on remedial safety work, routine supplies, and consumables on behalf of the Council subject to balance in the relevant budget, and, in consultation with the Chairman, of up to £50 per person and £150 per course on approved training/CPD events where training needs are identified and fall within the set budget (Finance Regulations 4-6/Min Ref 2014-146).

In response to an emergency and / or in a situation where the Council is struggling to maintain a quorate Council delegates authority to the Clerk in consultation with the Chairman and Vice Chairman to take any actions necessary with associated expenditure to protect the interests of the community and ensure council business continuity, informed by consultation with the members of the council. The scheme of delegation will be reviewed no later than December 2026.

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. The Clerk is the Council's Responsible Financial Officer and is responsible for administering 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 (as set out above) by the Clerk after consultation with the appropriate Chair.

All receipts and payments are reported to the Council. Two members of the Council must sign every cheque or order for payment. The signatories verify each cheque against the relevant invoice (which has already been signed by the Clerk), sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council. No member of staff of the Council can make payments or sign cheques.

Contracts
See Standing Order 19

Risk Assessments / Risk Management
The Clerk will report on risk assessment to the Finance group at the meeting in October 2026. The Parish Council's insurance cover has been reviewed and has been raised to

account for improvements to assets and to meet the recommended level *(balances + half of precept, being the maximum amount of cash at risk at any time*).

Internal Audit
The Council has appointed an Independent internal auditor who has reported to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The effectiveness of the internal audit is reviewed annually by the Council. The Council has appointed an internal auditor, and a report on the effectiveness of internal audit will be presented to the Council meeting in April 2025.

External Audit

The Council's external auditors, BDO, submit an annual Certificate of Audit to the Council.

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 and the Council must also approve the Statement on Internal Control.

The review of the effectiveness of the system of internal control is informed by the work of:

- The Council;
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk;
- The independent internal auditor who reviews the Council's systems of internal control; and
- The Council's external auditor who makes the final check using the annual return, a form completed and signed by the RFO, the chairman and internal auditor.

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(Chairman) (Responsible Financial Officer / Clerk)

STATEMENT OF INTERNAL CONTROL

CASH BOOK/BANK	The cash book is kept electronically in spreadsheet format, and kept up to date from original documents – receipts, invoices, payments. The cash book is reconciled to the bank statement in preparation of every Parish Council meeting.
RECONCILIATIONS	A bank reconciliation is presented at each Parish Council meeting. The balances reported can be traced back to the expenditure approved in the previous meeting via the Minutes. The cash book, bank statements, payments and receipts are reviewed the members of the Parish Council yearly.
FINANCIAL REGULATIONS	The Parish Council has adopted Financial Regulations based on the NALC model. The regulations are reviewed for continued relevance and amended where necessary via approval by the Parish Council.
ORDER/TENDER CONTROL	Financial Regulations refer for procedures relating to tenders.
LEGAL POWER	A proper legal power is identified for each expenditure.
PAYMENT CONTROLS	All payments are reported to the Council for approval via the agenda. Two Members of the Council must sign every cheque or order for payment. The signatories should consider each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. Payments are listed in the Minutes of the meeting. The Clerk maintains control of the cheque book at all times. Cheques will only be issued and signed for payments approved in Council meetings. The Minute number of the Minute authorising payment and the cheque number are recorded on each invoice.
PAYMENTS MADE UNDER SECTION 137 of the LGA 1972	A separate record of s137 payments is kept. The Clerk calculates the maximum amount of s137 expenditure able to be made each year and ensures it is not exceeded. The proper Minute authorising expenditure from s137 is prepared on each occasion.
VAT RECLAIMS	The Clerk ensures that all invoices are addressed to the Parish Council. The Clerk maintains a VAT account and ensures that the correct amount of VAT is reclaimed in the year.
INCOME CONTROLS	– All income is received and banked in the Council's name in a timely manner and reported to the Council. – The Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to Cornwall Council. – The Clerk ensures that the precept instalments are received when due. – All income is received and banked in the Council's name in a timely manner and reported to the Council. – The Clerk ensures that the amount of precept received is correct in accordance with the precept request sent to Cornwall Council. – The Clerk ensures that the precept instalments are received when due.
FINANCIAL REPORTING	A budget control, comparing actual receipts and payments to the budget is prepared and presented to the Council at least quarterly and recorded in the Minutes.

BUDGETARY CONTROLS	The budget is prepared in consultation with the full Council, as evidenced by reports and Minutes in advance of the start of the financial year. The Precept request is submitted by the deadline dictated by the District Council.
PAYROLL CONTROLS	The Clerk / RFO is paid under PAYE as an employee of the Council and the necessary system for making payments to HMRC is in place. The Clerk's salary is set by the Council and a Minute is prepared to show the agreed salary. The Clerk ensures that the necessary payroll returns are made to HMRC and retains evidence that this has been done.
OFFICE AND CLERK'S EXPENSES	The Clerk submits a request for reimbursement of monies owing by way of an expense sheet in advance of the meeting and detailed on the agenda. The expenses cover a contribution towards the cost of maintaining an office at the Clerk's / RFO's home and any out of pocket expenses as well as travel expenses as laid down by the joint SLCC/NALC guidelines. The expense sheet is treated as an invoice for accounting purposes.
ASSET CONTROL	The Clerk maintains full asset register. The existence and conditions of assets is checked on annual basis by the Parish Council. The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.
INTERNAL AUDIT	The Council annually appoints an independent internal auditor who provides a full report to the Council on Records, Procedures, Systems, Internal control, Regulations, Risk management. The internal auditor will have planned and carried out the work necessary to give the assurances called for in Section 4 of the Local Councils Annual Return. The Parish Council annually reviews the scope of work offered by the internal auditor.
EXTERNAL AUDIT	The Council submits an annual return to the external auditor appointed by the Smaller Authorities' Audit Appointments Ltd

Review Date	**Reviewed by**	**Amendments**	**Minute No**
11/12/2023	Full Council	n/a	2023/45
09/12/2024	Full Council	n/a	2024/43
14/04/2025	Full Council	2 x dates	2025/20
10/11/2025	Full Council	3 x dates	2025/60
09/11/2026	Full Council	n/a	2026/60