

LAYHAM PARISH COUNCIL

INTERNAL CONTROLS STATEMENT FOR YEAR ENDING 31 MARCH 2027

Reviewed and approved at meeting held on 9 September 2026

1. SCOPE OF RESPONSIBILITY

Layham 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.

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:

The Council reviews its obligations and objectives and approves budgets for the following year at its November meeting. The January meeting of the council approves the level of precept for the following financial year.

Layham Parish Council meets at least ten times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Responsible Finance Officer.

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

Parish Clerk / Responsible Finance 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. The Clerk's Annual Review is carried out in April.

Payments:

All payments are reported to the Council for approval. 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. All authorised cheque signatories are members of the Council.

The PC changed banks in the summer of 2026, from Barclays to Unity Trust Bank. Online payments are now made where possible, rather than payments by cheque. Again, two signatories must authorise every online payment – usually the payments are set up by the Clerk, with an authorised Councillor authorising them once full Council has approved the payments at a PC meeting.

Income:

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

Risk Assessments / Risk Management:

The Council will review its risk assessment annually, and regularly reviews its systems and controls.

Audit:Internal audit

The Council appoints an independent internal auditor who reports to the council annually on the adequacy of its:

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

All smaller authorities, regardless of size, must:

- Comply with proper practices
- Complete and approve an Annual Governance & Accountability Return
- Provide for public rights

External audit

Parish Councils with income and expenditure below £25,000 during the year under review may declare themselves exempt, which means they do not have to undergo a detailed external audit.

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 Internal Controls Statement.