Lympstone Parish Council Report of System of Internal controls

The following report was adopted and agreed by Lympstone Parish Council on 6th March 2023.

The following report was reviewed and agreed by Lympstone Parish Council on **2nd March 2026.**

1.The Accounts and Audit Regulations require the Council to review its system of internal controls at least once each year and to publish a statement of assurance with the annual accounts.

Guidance suggests that the review should cover the following:
The scope of internal audit – This includes financial regulations, financial systems, accounting systems, reporting and internal audit. This is considered to be adequate although the Financial Regulations are a generic version and are in need of updating to meet the current needs of the Parish Council.
Independence – The Internal Auditor, is Devon Assurance Partnership.
Devon Assurance Partnership is a shared service arrangement between Devon County Council, Torbay Council, Plymouth City Council, Mid Devon District Council, Torridge District Council, North Devon District Council and Devon and Somerset Fire and Rescue Authority, constituted under section 101 of the 1975 Local Government Act, and later Section 20 of the Local Government Act 2000. The Partnership was formed on 1 April 2009 and delivers Internal Audit and Assurance services including Fraud and Risk management to the partners and a number of external clients.
Competence – Devon Audit Partnership ensures that it meets all current, relevant professional guidance. Internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing
Relationships – The Clerk must be consulted if the Council wishes for there to be any change in this or additional emphasis placed on any aspect of Parish Council business. Councillors are aware that they should not approach the Internal Auditor on any matter without the prior consent of the Clerk and the Parish Council.

2. The Audit process also requires the Council to review other aspects of its activities that lead up to the Internal Audit.

Review of Risk Management	All Members have a copy of the Risk Management in the Financial regulations policy. It is reviewed annually
Review of Insurances	This is carried out annually and when any changes to Council activities are proposed.
Review of Clerk's Terms and Conditions	This is on the agenda. No changes are requested.
Review of Internal Controls	These are set out below.
Receive report of Internal Auditor	The report on last years accounts was received. And electronically shared with all Cllrs.
External Audit	This report was received with no other comments.

Internal controls:
In addition to the Internal Auditor the following controls apply;

1. *All payments must be approved by the Council. In an emergency or during the summer break, payments may be authorised by the Chairman and Vice-Chairman. These will be identified separately in the next Finance report to the Council.*
2. *The Clerk holds the cheque book but is not a signatory to the account.*
3. *All cheques must be signed by two authorised Councillors.*
4. *The voucher for payment is presented at the time that the cheque is requested.*
5. *A financial summary is presented to the first Council meeting each month, including the bank reconciliation. The relevant bank statement is also available for Members to inspect at this Council meeting and signed in accordance with the bank reconciliation by a Cllr other than the Chair or authorised signatory.*
6. *The Clerk has 'read-only' internet access to the Councils bank account.*
7. *Electronic payments – the Clerk will set up the beneficiary and invoice to be paid. One of the four authorised Cllrs will authorised the payment.*

Other documents used and related to LPCs financial controls: LPC financial regulations, LPC Risk Management, LPC (draft) Risk management policy and risk register, LPC Financial procedures Dec 2025.

The Council is RECOMMENDED to note the items as set out above.

Lucy Tyrrell, Clerk and RFO to Lympstone Parish Council

Date of next review: **March 2027**