

# Lifton Parish Council

## Annual Return 2024/25 – Annual Governance Statement

**Q.1 We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.** The accounts are prepared by the Clerk in accordance with relevant regulations and good practice and are reconciled to the Council's bank statements in quarterly reports.

**Q.2 We maintained adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.** We have Financial Regulations in place that meet relevant standards and have maintained a clear separation of functions and the involvement of the Clerk and Councillors in the payments process (2 Cllrs sign invoices, monthly bank statements & quarterly/EoY bank reconciliations). Councillors will begin to approve monthly invoice payments (set up by the Clerk) via online banking wef April 2025. This has been delayed due to problems experienced with the PC's bank. An Internal Financial Control Review is undertaken each year and reported to Councillors.

**Q.3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.** We subscribe to the Devon Association of Local Councils, which is affiliated to the National Association and receive regular guidance on changes in statutes, good practice etc. We have reviewed our Standing Orders as well as our Financial Regulations to ensure that they accord with current legislation and good practice.

**Q.4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit regulations.** Public notice has been given, within the correct timescale, of the entitlement of electors to inspect the Council's accounts.

**Q.5 We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls or external insurance cover where required.** We reviewed our risk assessment and internal controls during 2024/25. Further reviews and monitoring of associated action plans will be carried out on a regular basis.

**Q.6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.** The internal audit review introduced in 2014 has been continued from 2015 to the present. The effectiveness of this process is considered in the annual review of the Council financial systems. A new Internal Auditor was appointed in March 2024 to conduct the full internal audit for 2023/24. The same auditor was reappointed wef January 2025 to conduct the full internal audit for 2024/25.

**Q.7 We have taken appropriate action on all matters raised in reports from internal and external audit.** The Clerk provides both the internal and external audit reports to Council and ensured all matters raised were correctly acted upon— for example no boxes have been left blank on the returns; a number of Councillors have now been set up with online banking so that 2 Councillors can approve monthly invoice payments set up by the Clerk, online. There is no petty cash held.

**Q.8 We considered whether any litigation, liabilities or commitments, events or transactions occurring either during or after the year end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.** The Council has not been involved in any litigation, nor is there any pending. Future liabilities have been reported to the Council as appropriate and, where necessary included in the statement of accounts.