

# Lifton Parish Council

## Annual Return 2025/26 – 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. The Clerk sets up monthly invoice payments via online banking which 2 Cllrs then have to login to approve those payments).

**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 manage 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 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 2025-26. Further reviews and monitoring of associated action plans will be carried out on a regular basis. The external insurance cover was reviewed and updated throughout the year, as and when necessary.

**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. An Internal Auditor was appointed (March 2024) prior to the full internal audit in early May 2024; the same IA was re-appointed by Cllrs to conduct both internal audits in 2024-25 and 2025-26.

**Q.7 We have taken appropriate action on all matters raised in reports from internal and external audit.** The Clerk ensured all matters raised were correctly acted upon– for example no boxes have been left blank on the returns; there is no petty cash held. The IAs findings from the 2024-25 internal audit (i. Council should be paying the home working allowance as agreed with HMRC of £6.00 per week; and ii. No pension has been offered to the Clerk. In view of her earnings and age, a pension should be put into place for this financial year 2025/26 with immediate effect) have been acted upon. The Clerk is now in receipt of the working from home allowance and a work-based pension. There were no actions required from the 2025-26 external audit.

**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.

**Q.9** (For local councils only – not applicable to Lifton Parish Council)

**Q.10 We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.** The Council has adopted the following policies/scheme: Data Protection Policy; Data Retention & Disposal Policy; IT Policy; (Data Breach) Security Incident Response Policy; Publication Scheme and Privacy Notice & Privacy Policy. Policies are reviewed annually or as and when there is a change in legislation via NALC/DALC. The Council reviewed its position in relation to website compliance and Website Accessibility Statement (WCAG 2.2 AA); the Accessibility Statement on the Council website has been updated and there is a Privacy Statement in place. The Council received an overview of the requirements of this 'Assertion 10' at their Council meeting on 26<sup>th</sup> January 2026; a Data Map was adopted on 23<sup>rd</sup> April 2026. The Council will be looking to change IT provider, for its website and email accounts, in 2026-27.