**GLEMSFORD PARISH COUNCIL**

**INTERNAL CONTROL POLICY STATEMENT**

**SCOPE OF RESPONSIBILITY**

The Accounts and Audit Regulations 2003 states that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it has 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.

Glemsford 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. In discharging this overall responsibility, the Council is also 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.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

Internal control is designed to reduce financial risk to the Council.

The system of internal control is designed to ensure that the Council’s activities are carried out properly and as intended and to manage risk; reducing it 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. Internal controls are set up by the RFO but it falls on the Council members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures, the examination of financial comparisons, the recording of assets, the identification of risk, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage risks efficiently, effectively and economically.

**PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT**

**The Council**

The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the first page of the minutes and initials all other pages. Decisions made are within the Standing Orders and Financial Standing Orders laid down and approved by the Council. The Council reviews its obligations and objectives and approves budgets for the following year at its November/December meeting. The

meeting of the Council in December approves the level of precept for the following financial year. The Council monitors progress against its aims and objectives by receiving a monthly financial statement and a quarterly Actual against Budget Report, which it approves at its Council meetings. Payments are made in accordance with Standing Orders and Financial Standing Orders. Two councillors must sign all cheques and payment schedules. The signatories will also initial the cheque stubs and invoices. The signatories will ensure that the cheque/payment schedule agrees with the amount of the invoice and the payee named on the invoice. The Clerk/RFO has restricted delegated authority for payment authorisation, which is reported to council at the next available meeting. Council agrees the receipts and payments made for each month. Employee salaries are paid monthly directly into bank accounts. The intended bank payment details are supplied for inspection at each Council meeting for authorisation by the signatories and the payment is not transferred until this time. Cross referencing of the BACS payments is made against the bank statements by a member of the Finance Working Group. Quarterly and at the year-end, the Chairman of the finance working group ensures that the bank reconciliation totals are reconciled to the relevant bank statements and signs the bank reconciliation and bank statement as evidence of this check. The Council regularly reviews 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 the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council’s procedures, control systems and policies are maintained and adhered to. The RFO submits all the requested information to the External Auditor by the required date. The RFO arranges for the public notices to be displayed. The RFO will retain all relevant documents relating to the financial year as per the document retention policy.

**Internal Auditor**

The Council appoints an independent, competent Internal Auditor, who reports to the Council on the adequacy of its records, procedures, systems, internal control, regulations, risk management and reviews. The effectiveness of the internal audit is reviewed annually and the Council agrees to the appointment of the Internal Auditor. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council. The scope of the work (and the charge) of the internal auditor is reviewed annually and the review and the appointment is minuted. The internal auditor inspects the accounts at the year-end (prior to completion of the Annual Return & Governance Statement) and completes the Internal Audit section of the Annual Return. The internal auditor writes a separate report to the Council detailing any findings they might have. The report of the internal auditor is copied to all members of the Council and considered as an agenda item at the next meeting. Recommendations from the report are recorded in the minutes.

**External Auditor**

The Council’s External Auditors, appointed by the Audit Commission, submit an annual Certificate of Audit, which is presented to the Council.

**REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work and any issues identified by:

1. Full Council – identification of new activities.

2. Clerk to the Council/RFO who has responsibility for the development and maintenance of the internal control environment and managing risk.

3. Independent Internal Auditor who reviews the Council’s system of internal control.

4. The Council’s External Auditors who make the final check using the Annual Return, a form completed and signed by the RFO, the Chairman and the Internal Auditor.

5. Council meetings and on-going business – significant issues that are raised during the year.

Adopted: Feb 2024