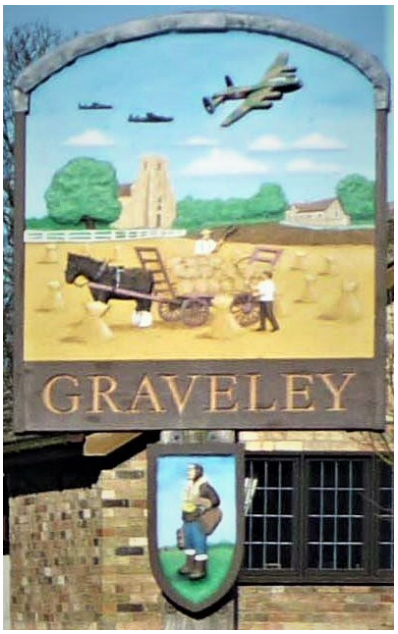


Internal Controls Policy

Document Configuration Management & Control

Version	Description	Originated	Approved	Minute Ref
Version 1	Annual Review	08/03/23	07/05/2024	24/25-43.1
Version 2	Annual Review	22/02/26		

INTERNAL CONTROL POLICY

SCOPE OF RESPONSIBILITY

Graveley 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, 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

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the Clerk who is the Responsible Financial Officer, but the Council members must ensure that they understand those controls and that they are operated effectively.

PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

The Council

The Council has appointed a Chairman who is responsible for the smooth running of meetings. The Chairman signs each page of the minutes at the Council meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The full Council meets every six-eight weeks and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.

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

The Council approves a budget for the following year at the November or January meeting which also approves the level of precept for the following financial year.

The Council receives a budget report each meeting and at each Council meeting receives financial reports.

The Clerk uploads payments online once payment is agreed by the Council at the meeting and then two Councillors (out of four named signatories) must authorise the payment online.

Two Councillors ensure that the payment schedule agrees with the amount of the invoice and the payee named on the invoice. The invoices are initialled by whoever has authorised the payments.

A Councillor will conduct a bank reconciliation at least annually to verify the bank statements against the cashbook.

The Clerk / RFO does not authorise payments.

The Council agrees the receipts and payments made at each Council meeting.

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 (RFO) 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.

The duties of the Clerk / RFO are laid down in a Job Description which is reviewed annually during the Clerk's appraisal.

The RFO submits all the requested information to the Internal and External Auditor (if required) by the required date.

The RFO arranges for the public notices to be displayed.

The RFO retains all relevant documents relating to finances in accordance with the Records Management Policy (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments, accounts and supporting information)

Internal Auditor

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor.

The scope of the work of the Internal Auditor is reviewed annually and the review and the appointment are minuted.

The Internal Auditor inspects the accounts at the year-end (prior to completion of the Annual Return pages 2 and 3) and completes page 5 of the Annual Return. The findings of the Internal Auditor are copied to all members of the Council and considered at the next Council meeting.

External Audit

If review is required by the Council's External Auditor and they submit an External Auditor's Report, this is to be considered at the next Council meeting.

REVIEW OF EFFECTIVENESS

The Council conducts an annual review of the effectiveness of the system of internal control.