



## **INTERNAL CONTROL POLICY**

### **1. SCOPE AND RESPONSIBILITY**

Aston Rowant 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.

### **2. PURPOSE OF THE SYSTEMS OF INTERNAL CONTROL**

The system of Internal Control is designed to manage risk at a reasonable level rather than to eliminate all risks of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of Internal Control is based on an ongoing process designed to identify and prioritise the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them effectively and economically.

### **3. THE INTERNAL CONTROL ENVIRONMENT**

The system of Internal Control is monitored by members as well as officers within the Council. In particular, the system incorporates:

- Budgeting systems
- Regular reports of service delivery
- Preparation of regular financial reports comparing actual expenditure against forecasts
- Regular review of such reports by officers, and by members in Committee and Council

### **4. REVIEW OF EFFECTIVENESS**

The authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of Internal Control. The review is informed by the work of:

- The Council and its Committees
- The Clerk/Responsible Finance Officer and Deputy Clerk
- The Internal Auditor
- The External Auditor

# ADEQUATE AND EFFECTIVE SYSTEMS

## 1. The Effectiveness of the System of Internal Audit

The council is required to carry out, at least annually, a review of the effectiveness of its system of Internal Audit. The system of Internal Audit at Aston Rowant Parish Council consists of:

- a) Appointment of Internal Auditor
- b) Review at the end of the financial year when the Year-End accounts have been completed – to include accounting arrangements, bank reconciliations, precept determination and budgetary control
- c) Ensuring work covered during the review is wide-ranging and includes the proper treatment of receipts and payments; bank reconciliations; payroll; petty cash; adherence to Statutory Requirements; financial procedures; systems and regulations; insurance; assets; risk management; budget setting and monitoring of VAT.
- d) Receipt of a report from the Internal Auditor after each review, stating the areas covered and the findings and making any necessary recommendations for change.
- e) Sending all members of the Council a copy of the report.
- f) Reporting any recommendations to the Council.
- g) Acting upon any decisions made by the Council in respect of the recommendations.

## 2. The Effectiveness of the System of Internal Control

The Council is required to carry out, at least annually, a review of the effectiveness of its system of Internal Control. The system of Internal Control at Aston Rowant Parish Council consists of:

- a) Appointment of the Clerk and Responsible Financial Officer (RFO) in matters of VAT and other returns .
- b) Adoption of a Code of Conduct for Members and Employees.
- c) Standing Orders and Financial Regulations.
- d) Review of Internal Audit arrangements and reporting
- e) Safe and efficient arrangements to safeguard public money
- f) Regular scrutiny of financial records and proper arrangements for the approval of expenditure
- g) Regular employer returns to HMRC (outsourced to DM Payroll Services)
- h) Completion of annual VAT return, and training the RFO in matters of VAT and other taxations issues, as necessary
- i) Regular budget monitoring statements
- j) Procedures for dealing and monitoring the Councils grant scheme
- k) Minutes properly numbered and paginated with a master copy kept in safekeeping
- l) Documented procedures for document receipt, circulation, response, handling and filing
- m) Procedures in place for recording and monitoring Members interests and Gifts and Hospitality received

**Adopted at the Parish Council Meeting dated 10th June 2020.  
(Minute 10.5)**

**To be reviewed in two years or when legislation dictates.**

# INTERNAL CONTROLS CHECKLIST

- The council/relevant committee will decide the term of the internal controller i.e six months/year; a hand over period should be negotiated.
- The council/relevant committee should refer to the Joint Panel on Accountability and Governance and Accountability for Smaller Authorities, available at:  
<https://www.google.com/search?q=https%3A%2F%2Fnalc.gov.uk%3Epublications%3E2897-the-pracitioners-guide&ie=&oe=>
- The council/relevant committee should refer to section 2 of the Annual Governance statement, within the annual return, when identifying the internal control requirement.

## MONTHLY/BI-MONTHLY/QUARTERLY - INTERNAL CHECK LIST

Action	Y	N	Comment
All payments are authorised by 2 Members			
Cheque signatories have initiated the original invoice as evidence			
The cheque counterfoil initialled by the auditing Member			
Bank accounts reconciled monthly (or other - please identify)			
Payroll actioned accurately on a regular basis (state frequency)			n/a – outsourced to DM Payroll Services
Payment schedule presented to full council (monthly, with agenda)			
There are separate s137 and VAT columns on the accounting spreadsheet/system			
The VAT is claimed at least annually			
Receipts are reconciled against original bank statements			
For funds being transferred between accounts (a virement) has been agreed and recorded by the Council			
A reconciliation of accounts is presented to Council monthly (and date of last one)			
The internal checks occur (state frequency)			
Any other comments			
<b>Auditing Member</b> (Signature): PRINT NAME:			
<b>Date</b>			